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**TRABAJO DE TITULACIÓN PREVIA A LA OBTENCION DEL
TITULO DE LICENCIADA MULTILINGÜE EN NEGOCIOS Y
RELACIONES INTERNACIONALES**

**THE POTENTIAL EFFECTS OF COCA-COLA'S CORPORATE SOCIAL
RESPONSIBILITY PRACTICES ON THE ECUADORIAN CONSUMERS'
PERCEPTION**

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DEDICATION

To all my family, for their constant love and support.

To Sharon, the one from today and tomorrow.

*Let this dissertation be a reminder that you are braver than you believe,
stronger than you seem, smarter than you think & loved more than you know.*

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I. THEME

THE POTENTIAL EFFECTS OF COCA-COLA'S CORPORATE SOCIAL RESPONSIBILITY PRACTICES ON THE ECUADORIAN CONSUMERS' PERCEPTION

II. ABSTRACT

This research seeks to understand the Ecuadorian consumers' motivators in order to purchase Coca-Cola products and their perspectives on Corporate Social Responsibility (CSR) when purchasing from the brand. The research findings were based on a survey that was conducted to 385 Ecuadorian participants, taking into account a 5% margin of error and a 95% confidence level. The goal was to understand the motives behind Ecuadorians' purchasing behavior and the importance of CSR when making a purchase decision. The analysis of the answers determined that Ecuadorian consumers have a better perception of firms that engage in CSR as they consider it as important and necessary. However, CSR is not a decisive factor when purchasing Coca-Cola products, as they show to still consider traditional criteria like taste, price, quality, accessibility and tradition (intergenerational consumption), rather than recognition of the company's CSR. Thus, the research demonstrates that Ecuadorian consumers might purchase considering traditional criteria and might also be unconsciously driven by feelings and emotions. Therefore, driven by a company's Cause-Related marketing (CRM). Ultimately, even if the Ecuadorian consumers do not consider a company's CSR, they do consider traditional criteria, combined with the unconscious consideration to connections and emotions related to the brand and its products, in order to make a purchase.

Key words: *corporate social responsibility, cause-related marketing, motivators, perceptions, traditional criteria, intergenerational consumption, survey*

III. RESUMEN

Esta investigación busca comprender los motivadores de los consumidores ecuatorianos al comprar productos de Coca-Cola y sus perspectivas sobre la Responsabilidad Social Empresarial (RSE). Los hallazgos de la investigación se basaron en una encuesta a 385 participantes ecuatorianos, teniendo en cuenta un margen de error del 5% y un nivel de confianza del 95%. La meta era comprender los motivos detrás del comportamiento de compra de los ecuatorianos y la importancia que tiene la RSE en sus decisiones de compra. El análisis de los resultados determinó que los consumidores ecuatorianos tienen una mejor percepción de empresas que están comprometidas con la RSE porque la consideran importante y necesaria. Sin embargo, la RSE no es un factor decisivo en la compra de productos de Coca-Cola, ya que todavía muestran una consideración a criterios tradicionales, tales como sabor, precio, calidad, accesibilidad y tradición (consumo intergeneracional); en lugar del reconocimiento de la RSE de la empresa. Por lo tanto, la investigación demuestra que los consumidores ecuatorianos podrían comprar tomando en cuenta criterios tradicionales y también estar impulsados inconscientemente por sentimientos y emociones. Es decir, impulsados por el Marketing Relacionado a Causas (MRC) de una empresa. Por consiguiente, si bien los consumidores ecuatorianos no consideran a la RSE de una compañía, si consideran los criterios tradicionales, combinados con la consideración inconsciente de las conexiones y las emociones relacionadas con la marca y sus productos, para realizar una compra.

Palabras clave: *responsabilidad social empresarial, marketing relacionado a causas, motivadores, percepciones, consumo intergeneracional, encuesta*

IV. RIASSUNTO

Questa ricerca intende capire quali sono le motivazioni dei consumatori ecuadoriani al momento di acquistare i prodotti di Coca-Cola e le loro percezioni sulla Responsabilità Sociale d'Impresa (RSI) al momento dell'acquisto del marchio. I risultati della ricerca sono stati basati su un sondaggio condotto a 385 partecipanti ecuadoriani, tenendo conto del margine di errore del 5% e al livello di affidabilità del 95%. L'obiettivo era comprendere i motivi sottesi al comportamento di acquisto degli ecuadoriani e l'importanza della RSI nel prendere una decisione dell'acquisto. L'analisi dei risultati ha determinato che i consumatori ecuadoriani hanno una migliore percezione delle aziende che si impegnano per la RSI, perché la considerano importante e necessaria. Tuttavia, la RSI non è un fattore decisivo quando si acquistano prodotti di Coca-Cola, in quanto si evince la considerazione di criteri tradizionali come gusto, prezzo, qualità, accessibilità e la tradizione (consumo intergenerazionale), piuttosto che il riconoscimento alla RSI dell'azienda. Pertanto, la ricerca dimostra che i consumatori ecuadoriani potrebbero acquistare considerando i criteri tradizionali e potrebbero anche essere spinti inconsciamente da sentimenti ed emozioni; essendo guidati, dunque, dal Marketing Correlato ad una Causa (MCC) di un'azienda. In definitiva, sebbene i consumatori ecuadoriani non considerino la RSI dell'azienda, sono tengono in considerazione, invece, criteri tradizionali, combinati inconsciamente con le connessioni e le emozioni legate al marchio e ai suoi prodotti al fine di effettuare un acquisto.

Parole chiave: *responsabilità sociale d'impresa, marketing correlato ad una causa motivazioni, percezioni, consumo intergenerazionale, sondaggio*

V. INTRODUCTION

Companies constantly face pressure to meet their business objectives while making a contribution to society and the environment. This refers to Corporate Social Responsibility (CSR). CSR has not had a unique definition, but the Organization for Standardization (ISO) on its Guidance Standard on Social Responsibility ISO 26000, states one of the most complete definitions that is as follows:

“Social responsibility is the responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behavior that: contributes to sustainable development, including the health and the welfare of society; takes into account the expectations of stakeholders; is in compliance with applicable law and consistent with international norms of behavior; and is integrated throughout the organization and practiced in its relationships.” (ISO, 2010)

Since its introduction in 1800s with the Industrial Revolution, CSR has gained increasingly attention and greatly influenced the corporate world. CSR has evolved from being conceived as a mixture of philanthropy and business awareness that uses stakeholder’s assets without permission, to be a “must” in companies’ management systems around the world. CSR includes responsibilities regarding social, environmental, legislative, and ethical spectrums. In addition, a company engaging in CSR must follow international norms and principles that guide them to an effective application of CSR practices. It is important to mention that engaging CSR is a voluntary process that brings great benefits for the company, the community and the environment.

On the other hand, Coca-Cola is one of the strongest and most well-known brands in the world, operating in 260 countries, owning a portfolio of more than 3,500 products, and with average sales of 1.9 billion drinks each day (Coca-Cola Journey, 2017). With more than 91 years of experience, Arca Continental is the second biggest Coca-Cola bottling company in Latin America. In Ecuador, Arca Continental is in charge of Coca-Cola’s production, packaging, distribution, and marketing strategies. Since 2000, *Fundación Coca-Cola Ecuador*, a creation of The Coca-Cola Company and Arca Continental, has been organizing projects focused on water conservation, sustainable packaging, climate change, community, environmental education, and the

promotion of active and healthy styles of living; as a set of CSR practices that have to be accomplished by 2020.

In Ecuador, CSR is still not implemented by most of the companies. However, the interest that businessmen are having about the application of CSR is continuously increasing. Nevertheless, there is a long way to go, especially because consumers and businessmen perceptions about CSR are still misunderstood or unknown (Corresponsables, 2015). Entrepreneurs are said to be the group with more knowledge about CSR than the general public. In fact, an investigation about the perception of CSR in Ecuador held by the Ecuadorian-American Chamber of Commerce in 2012, showed that even if the Ecuadorian society understands the importance of Socially Responsible Companies and the positive impacts they have on the community, the economy and the environment, they do not have a clear idea of what CSR is and what the spheres are in which it operates.

As stated above, Coca-Cola is a well-known company with a wide list of CSR practices and projects in Ecuador, and an important number of Ecuadorians consume Coca-Cola's products every day. Therefore, this dissertation considers the hypothesis that the Ecuadorian consumers do not consider CSR as a criterion for their purchase decision because they consider other factors like taste or intergenerational consumption, rather than recognition of the company's CSR practices. In this matter, the general objective is to analyze why the Ecuadorian consumers do not consider Coca-Cola's CSR practices for their purchase decision and their perspectives of CSR. Along this investigation, the previous hypothesis will be proven and the general objective will be met with a market analysis through the conduction of surveys to 385 Ecuadorian consumers. The survey results are relevant as they will give an idea of the Ecuadorian market patterns of purchasing, consumer behavior towards Coca-Cola's products, and the reasons behind it. The results of the investigation will also be useful not only for students and the society as a whole, but also for companies that want to know the behavior of the Ecuadorian market before launching a new product/service.

Thus, the first chapter gives an overview of CSR's history, concept evolution, responsibility dimensions, legal side and principles, the motives that a company has in order to engage in a CSR program, and a small analysis of how CSR is perceived and

executed in Ecuador. The theoretical framework for this chapter includes Carroll's Four Dimensions of CSR (1991), in order to explain the motives that companies have to engage in CSR. In one of his famous publications, "*The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders*" (1991), Carroll suggests that CSR includes four responsibility dimensions: economic, legal, ethical and philanthropic. These dimensions will help determine a company's motives to engage in CSR. Therefore, chapter I follows the first specific objective of establishing the importance of CSR in the current corporate management strategies.

On the other hand, the second chapter gives a brief introduction to The Coca-Cola Company, its mission, vision, objectives, and CSR practices worldwide. In addition, this chapter also includes information about Coca-Cola's operations in Ecuador, its strategies, its portfolio, and Coca-Cola's CSR practices in Ecuador through "*Fundación Coca-Cola Ecuador*." Furthermore, this chapter contains an analysis of Coca-Cola's campaigns based on Cause-Related Marketing (CRM) trends theory, and a brief analysis on customers' buying behavior based on emotional motivators with some basics of neuromarketing. CRM is a communication tool to increase customer loyalty and to build a company's reputation. In CRM, companies communicate through their advertising, packaging, promotions, and webpages their corporate social responsibility (Brønn & Vrioni, 2001), and their affiliation to causes and activities that go in accordance to consumers' interests. In addition, according to Carmen Nobel, senior editor of Harvard Business School Working Knowledge, "neuromarketing" is the field that helps companies to understand the psychological part of consumption because it uses neuroscience to determine why we prefer some products over others and what motivates us, as customers, to buy certain products (Nobel, 2012). Therefore, chapter II follows the second specific objective of figuring out the Ecuadorian consumer's criterion for purchase decision.

Finally, chapter III, contains an Ecuadorian market analysis that gathered information through an online survey. This chapter contains information about the online survey, the sample, and the Ecuadorian consumers' answers to the survey. In addition, the methodology to be used in this chapter will be Lois Mohr, Deborah Webb, and Katherine Harris's Methodology to analyze and interpret data (2001). The

methodology they use follows a research to get information about consumers views concerning the social responsibilities of companies, which was published in “*The Journal of Consumer Affairs*” in 2001 (Mohr, L., et. al., 2001). In their research, they analyze and interpret data in three steps. First, conducting a survey to collect data and identify variables; second, they examine each case to determine why each participant does or does not use CSR as consideration when purchasing. Finally, they read all the answers to identify common themes and identify if consumers consider CSR in order to make a purchase and why.

Likewise, for the second step, the theory that supports the student’s consumer classification is Andreasen’s “Four stages of behavior change model” (1995). The four stages are: precontemplation, contemplation, action and maintenance. In this model, precontemplators are really not thinking about basing their purchase behavior on CSR at this point in their lives. Contemplators are thinking about basing purchasing on CSR or have used CSR as a criterion in the past, but this criterion still does not play much of a role in their decision processes or purchase behavior. The action-oriented have decided to base some of their buying on CSR; and maintainers are committed to using this criterion in much of their purchasing (Mohr, L., et. al., 2001). These theories will help understand the Ecuadorian consumers perceptions regarding CSR and their criteria to purchase Coca-Cola products.

Moreover, this dissertation relates to the major in “*Multilingüe en Negocios y Relaciones Internacionales*” as it follows the path of International Business. Likewise, it is being written in one of the bachelor’s main languages (English) and enables the student in charge of the research to apply the knowledge and skills acquired throughout her bachelor studies regarding classes like International Marketing, International Management, and Statistics.

CHAPTER I

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) has changed and evolved over the decades. Even if there has not been consensus over the definition of CSR, something that is certain is that CSR involves a set of responsibilities for companies that go beyond profitability and, nowadays, it has become a trend in big and small businesses. In this chapter, the student will analyze CSR's history, concept evolution, responsibility dimensions, legal side and principles, the motives that a company has in order to engage in a CSR program, and an overview of how CSR is perceived and executed in Ecuador.

1.1. Corporate Social Responsibility

As stated above, Corporate Social Responsibility (CSR) has changed and evolved over the decades in order to adapt to the different scenarios in every period of time. However, CSR responsibilities have also changed. Therefore, Archie Carroll (1991) suggests that CSR has four responsibilities that are displayed in a pyramid; these are: economic, legal, ethical, and philanthropic (Carroll, 1991). Likewise, these responsibilities are connected to a company's motives to engage in CSR, as these bring several benefits for the business. Thus, the more responsibility spheres of a company, the greater the motives and benefits that it might have. A further explanation on these topics is featured below.

1.1.1. History

Corporate Social Responsibility (CSR) got special attention in the early 1950s. Nevertheless, it is said that CSR flourished in the late 1800s with the Industrial Revolution in the United Kingdom. During this period, the factory system emerged and with it numerous social problems like poverty, slums, and child and female labor (Wren, 2005). As businesses were concerned with employees and how to make them more productive workers, an industrial welfare movement began, and strategies like providing hospital clinics, lunch-rooms, profit sharing, and recreational facilities prevented labor problems and improved working performance. Therefore, it is said

that companies started taking both, business and social actions for the first time (Wren, 2005).

On the other hand, in the United States, CSR flourished during times of war. As several workers had to go to wars as soldiers and families were abandoned, companies started to contribute for community-related welfare and got involved in social programs. Nevertheless, by the end of the civil war in 1865, large corporations began to dominate the economy and influence the governments, resulting in corrupted power and monopolies. These monopolies defied the rules of market pricing and profit distribution (Carroll, 2008). As a result, there was not accountability or corporate responsibility, leading to a collapse of the economic system. This collapse got worst through years until it was followed by the known Great Depression in 1930 (Carroll, 2008).

The 1970s was a decade where the first strong social movements fought to protect the environment, consumers and employees (worker safety). These movements not only were interesting for the society, but also got a special place in politics as they achieved to generate formal government regulations regarding the mentioned topics (Carroll, 2008). Some examples of social movements in the US during the decade are: environmentalism (as a result, the United States celebrated the first Earth Day on April, 22), feminism (the Second-Wave Feminist Movement fought for women's roles and equality in society until the nineteenth Amendment to the United States Constitution legalized female suffrage), anti-war movements (mainly against the Vietnam War), and civil rights movements (the Black Nationalist movement wanted to promote "non-violent" strategies) (Marx, 2011).

Regarding the UK, some examples of social movements during the decade are: the UK Women's Suffrage Movement (looked for equality, freedom and to give women a role in society), Women's rights movement (looked for the acceptance of contraception methods and freedom of expression), anti-sex discrimination movements (wanted to make illegal for employers to discriminate based on gender), civil rights movements (were against police racism and the mass unemployment of the decade mainly) (Bush Theatre, 2015).

Even if the events stated above contributed significantly as defining moments for CSR in the United States and the United Kingdom, around the world CSR, has also evolved with its own characteristics and interpretations. Nowadays, in the 21st century, CSR has become a global phenomenon among big and small companies, and every time considering different and more responsibility spheres.

1.1.2. Definition, evolution and practices

As CSR is a broad concept, it has been discussed by experts and researchers over the decades, but until today there has not been consensus over a standard definition of it. Thus, the concept and practices of CSR have also had an interesting evolution before being known as they are nowadays. It is important to mention that CSR has evolved at the same pace in which society and the several country environments have. Therefore, CSR might never stop changing and evolving, and in the same way we, the society, will never stop evolving and our needs, expectations and circumstances will always change.

In order to avoid any misconception regarding CSR and its definitions, it is important to begin determining the difference between the terms corporate social responsibility, corporate social obligation, and corporate social responsiveness (McGraw-Hill, 1984):

- **Corporate social responsibility** is understood as a company's obligation, beyond that required by the law and economics, to pursue long-term goals that are beneficial to society.
- **Corporate social obligation** is the obligation of a business to meet its economic and legal responsibilities only.
- **Corporate social responsiveness** is the ability of a company to adapt to changing societal conditions.

After understanding the difference between the terms stated above, CSR definition evolution and practices are going to be described.

In the 1800s, CSR was born as an idea of a welfare movement that presented a mixture of humanitarianism, philanthropy, and business awareness. Nonetheless, corporate contributions were yet perceived as giving away stockholder assets without permission, and contributions were legally restricted only to causes that could benefit the company. Furthermore, during this period, companies were seen as institutions, like the government, which have social obligations to achieve.

In the 1950s, CSR was referred to as social responsibility (SR) only. Howard R. Bowen (1953)¹ set the first definition of the social responsibilities that companies may have, stating the following: *“It (SR) refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society.”* (Bowen, 1953)

In 1950, CSR involved three ideas: the idea of managers as public trustees, the idea of balancing competing claims to corporate resources, and the acceptance of philanthropy as a business contribution to good causes (Fredrick, 2006). This decade was a moment of new attitudes and new talks about CSR among business executives.

In the 1960s, philanthropy continued as the most noticeable manifestation of CSR (Carroll, 2008). Clarence Walton (1967) also set his definition of social responsibility, stating the following: *“...the new concept of social responsibility recognizes the intimacy of the relationships between the corporation and society and realizes that such relationships must be kept in mind by top managers as the corporation and the related groups pursue their respective goals”* (Walton, 1967).

In the 1970s, the Committee for Economic Development (CED) in its publication “Social Responsibilities of Business Corporations (1971)” introduced SR, observing that *“business functions by public consent and its basic purpose is to serve constructively the needs of society - to the satisfaction of society”* (CED, 1971: 11) and that *“Inasmuch as business exists to serve society, its future will depend on the quality of management’s response to the changing expectations of the public”* (CED, 1971: 16).

¹ According to Carroll (2008) Bowen should be called the “Father of Corporate Social Responsibility”, because his books and definition displayed the most noteworthy literature of the 1950s. (Carroll, 2008)

In addition, the 1970s was a decade characterized for the rise of social movements that worked to create formal government regulations regarding the environment, working conditions and safety, consumers, and employees. As a result, legislative initiatives in this decade mandated that companies create organizational mechanisms to obey federal laws dealing with the environment, product safety, employment discrimination, and worker safety (Carroll, 2008).

In the 1980s, Thomas M. Jones (1980) defined SR as a process, as an obligation that must be voluntarily adopted and as a broad obligation extending beyond shareholder's duties to other societal groups such as customers, employees, suppliers, and neighboring communities (Jones, 1980). During this decade, business practices of SR included: respect to the environment pollution, employment discrimination, consumer abuses, employee health and safety, quality of work life, deterioration of urban life, and abusive practices of multinational corporations (Carroll, 2008). Another important aspect was maintaining the relationship between SR practices, firm profitability and business ethics (Aupperle, *et.al.*, 1985).

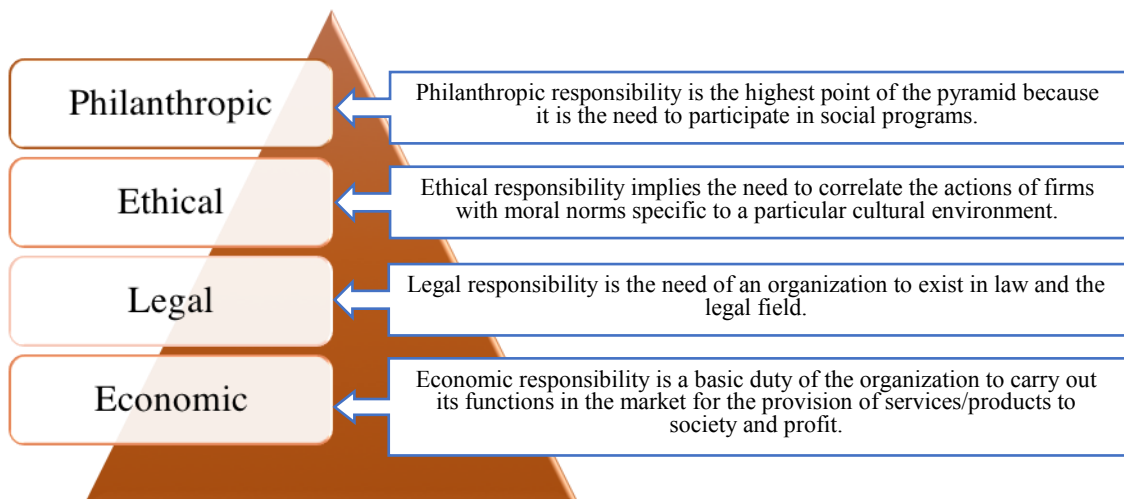
In the 1990s, terms like corporate social performance (CSP)²(Carroll, 1979), stakeholder theory, business ethics, sustainability, and corporate citizenship were important. The term stakeholder was first added during this decade, as well as Corporate Social Responsibility (Carroll, 2008). The beneficiaries of CSR initiatives included education, culture and the arts, health and human services, civic and community, international donees, community partners, and NGO partners (Muirhead, 1999).

In 1992, the nonprofit organization "Business for Social Responsibility" (BSR) presented the initiatives and the profile of the professionals in charge of applying CSR in their companies. BSR stated that CSR must include topics like: business ethics, community investment, environment, governance and accountability, human rights, marketplace, and workplace. Furthermore, BSR defined CSR as a "[...] *set of policies, practices and programs that are integrated into business operations, supply chains, and decision-making processes through the company*" (BSR, 1992).

² CSP is a three-dimensional integration of responsibility, responsiveness, and social issues. (Carroll,1979)

In an attempt to define CSR, Mohr (1996) grouped the definitions into two types: multidimensional definitions, and definitions based on the societal marketing concept. The multidimensional definitions include the responsibilities of companies, and the societal marketing concept defines CSR at a more abstract level. Kotler (1991) defined the societal marketing concept of CSR as *“doing business in a way that maintains or improves both the customer’s and society’s well-being”* (Kotler, 1991). As for the multidimensional definition, Carroll (1991) suggests that CSR has four kinds of responsibilities contained in four dimensions, which are displayed as a pyramid, and are: economic, legal, ethical, and philanthropic.

GRAPHIC No. 1
Pyramid of Corporate Social Responsibility



Source: Lois A. Mohr, et al., (2001). Pyramid of Corporate Social Responsibility
Produced by: Sharon Cañas

In the 2000s, CSR and CSP were analyzed. Jones and Murrell (2001) found out that job seekers do consider CSP in order to apply to firms. In addition, they determined that CSP’s most important dimensions were environment, community relations, employee relations, diversity, and product issues. Nevertheless, Phillip Kotler and Nancy Lee (2005) also demonstrated that CSR has an approach in which a new way of doing business is established, and the combination of success and the creation of value with a respectful and proactive attitude towards stakeholders is possible (Kotler and Lee, 2005). In the 2000s, CSR practices included: cause promotion (increasing awareness and concern for social causes); cause-related marketing (contributing to causes based on sales); corporate social marketing

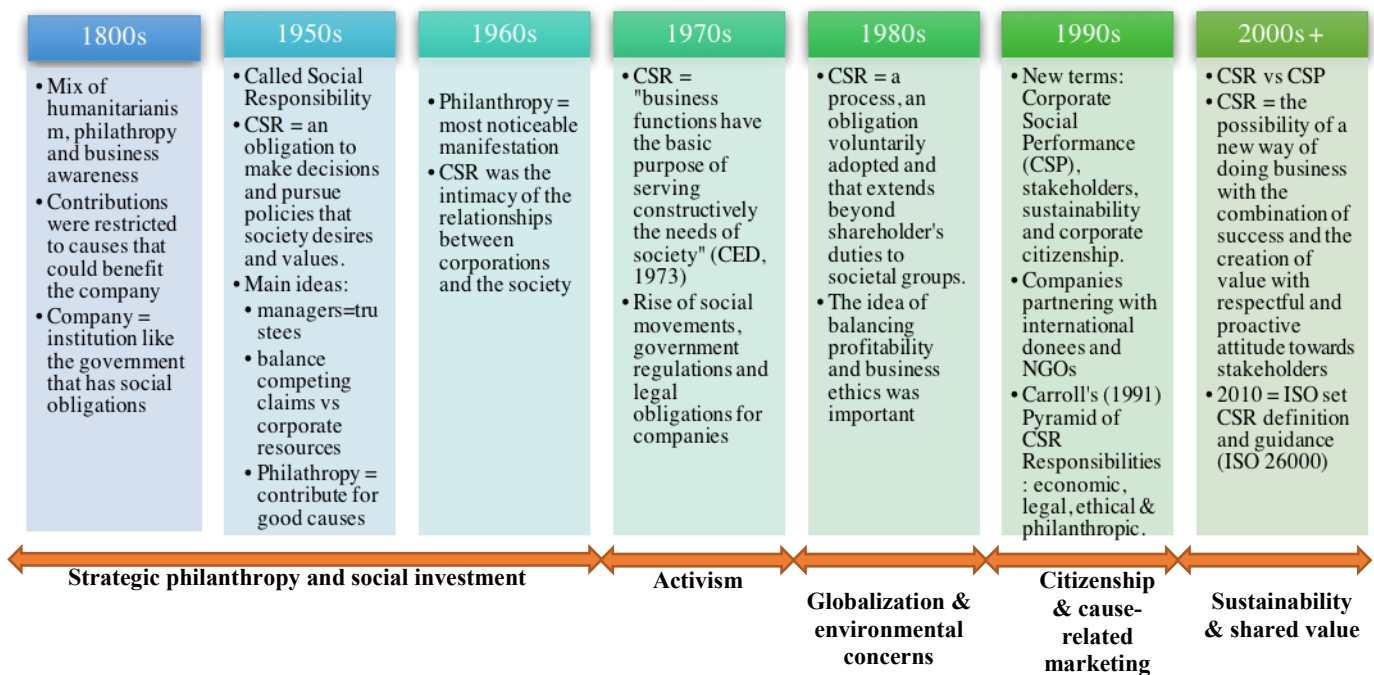
(behavior change initiatives); corporate philanthropy (contributing directly to causes); community volunteering (employees donating time and talents in the community); and socially responsible business practices (discretionary practices and investment to support causes) (Kotler and Lee, 2005; Perrini, 2005).

In 2010, the Organization for Standardization (ISO) on its Guidance Standard on Social Responsibility ISO 26000, defined CSR according to the following:

"Social responsibility is the responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behavior that: contributes to sustainable development, including the health and the welfare of society; takes into account the expectations of stakeholders; is in compliance with applicable law and consistent with international norms of behavior; and is integrated throughout the organization and practiced in its relationships." (ISO, 2010)

As described above, along the decades, it has been difficult to reach a consensus regarding the definition for CSR, but as for today, at least it is clear that CSR involves a set of responsibilities for companies that go beyond profitability. According to the Organization for Economic Co-operation and Development (OECD) voluntary initiatives are a major trend in the international business CSR (OECD, 2001).

GRAPHIC No. 2 CSR Concept evolution



Produced by: Sharon Cañas

As seen in Graphic No. 2, the events can be classified by their main characteristics. Before the 1800s, the focus was on profit, but in the period between the 1800s and 1960s, companies started to have some kind of responsibility with society's issues and expectations. That's why this period is said to be characterized by strategic philanthropy and social investment. The 1970s were characterized by activism and legal obligations for companies, due to new government regulations. The 1980s are said to be characterized by globalization and cause-related marketing practices due to the partnerships with international actors and the new responsibilities that companies had. Finally, the 2000s onwards are said to be characterized by a focus on sustainability and shared value³.

Today, CSR has become an important trend among big and small companies, and businessmen are showing increased interest in knowing and applying CSR practices into their corporate management systems. However, it is known that some initiatives are more voluntary than others because companies are under legal and regulatory pressure to adopt them (OECD, 2001).

In addition, around the world, companies' day-to-day practices, management standards, professional societies, and specialized consulting and auditing services; have resulted in the achievement of companies' management expertise in legal and ethical compliance regarding CSR. (Carroll, 2008)

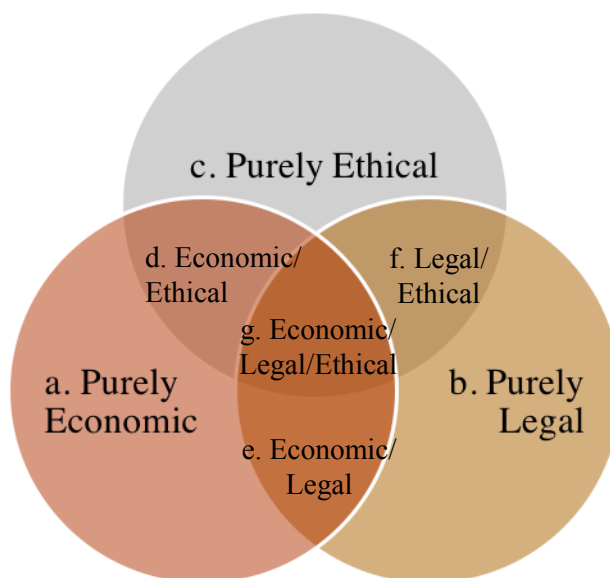
1.1.3. Motives of a company to engage in Corporate Social Responsibility

In order to briefly analyze the motives behind companies' engagement in CSR, it is useful to apply the "Three Domain Model of CSR" (Schwartz & Carroll, 2003). The "Three Domain Model of CSR" is based on Carroll's (1991) "Pyramid of Corporate Social Responsibility" that was stated above, but has been adapted by Schwartz and Carroll (2003) to identify the real motives behind each dimension. This

³ Shared value: when companies see the treatment of social problems as an opportunity for innovation, growth and profit (FSG, n.d.).

approach identifies three main responsibility areas: economic, legal and ethical⁴ (Schwartz & Carroll, 2003).

GRAPHIC No. 3
The Three Domain Model of CSR



Source: Schwartz & Carroll (2003). Corporate Social Responsibility: A Three-Domain Approach.
Produced by: Sharon Cañas

As seen in Graphic No. 3, The Three Domain Model includes three big domains: purely economic, purely legal, and purely ethical. But the model also allows the combination of domains, creating four subdomains that are: economic/ethical, economic/legal, legal/ethical, and economic/legal/ethical (Schwartz & Carroll, 2003). Which means that some practices or activities might be included in the combination of domains, rather than a purely domain. In the following table, the relation between each domain and the motives to engage in CSR are going to be explained.

⁴ Philanthropy, which is the fourth dimension in Carroll's original model, is no longer considered as an individual aspect and in the "Three Domain Model" it is included under the ethical and/or economic domain (Schwartz & Carroll, 2003).

TABLE No. 1
A relation between The Three Domain Model and the motives to engage in CSR

DOMAIN	MOTIVE	DESCRIPTION
1. Economic	To be profitable	Are the activities/practices that will have a direct or indirect positive economic impact in the company. Direct are any activities that increase the profit, and indirect are any activities like improvement of the image or better working conditions in the company that result in an increase in sales or quality.
2. Legal	To obey the law	Are activities/practices in compliance with legal expectations, like respecting laws about standards regarding waste, resources, packaging, working conditions, labels, etc. Thus, any activity in compliance with a law that is regulated by the government or an NGO.
3. Ethical	To sustain legitimization	As the economic domain is not enough to maintain a company's legitimacy, it is necessary that the organization incorporates an ethical aspect to its activities. Therefore, ethical activities are any activities that follows an organization's ethical (and social) responsibility to aspects like the environment or action after natural disasters.

Source: Schwartz & Carroll (2003). Corporate Social Responsibility: A Three-Domain Approach.

Produced by: Sharon Cañas

As the domains combine, motives combine. Thus, it is better for a company to have a variety of complete activities, than only a few that follow only one motive and domain. Therefore, an ideal CSR activity would be one that is in the middle of the Three Domain Model; this means, activities that comply with the economic/legal/ethical domain; because the motives will also overlap, resulting in an ideal CSR program.

1.2. Corporate Social Responsibility's international norms and standards

As CSR evolved and got companies' attention, international institutions like the International Organization for Standardization, the Institute of Social and Ethical Accountability and the United Nations created internationally accepted norms, standards and principles in order to give companies a guidance on how to effectively apply CSR strategies within their management systems. Some standards are ISO26000, SA8000 and AA1000, which are voluntary and do not go against national laws. An overview of these norms, standards, and principles are stated below.

1.2.1. ISO 26000

The International Organization for Standardization (ISO) is a worldwide federation of national standards bodies (ISO, 2010). It offers the Guidance Standard on Social Responsibility, which contains a specific standard for CSR, the ISO 26000:2010. ISO 26000 only provides guidance for companies to operate in a socially responsible way, it is not a requirement, therefore it cannot certify a company's SR. It only helps clarify and translates CSR principles so it can be transformed into effective actions and practices of CSR globally. This standard does not provide a basis for legal actions that cannot go against or over domestic and national standards (ISO, 2010).

The ISO 26000 contains a communication protocol, basic training materials, the activities that favor the implementation of the standard that are linked with the OECD guidelines for multinational enterprises and the UN Agenda 2030 (Sustainable Development Goals). Furthermore, ISO 26000 provides a guidance regarding: “concepts, terms and definitions related to social responsibility; the background, trends and characteristics of social responsibility; principles and practices relating to social responsibility; the core subjects and issues of social responsibility; integrating, implementing and promoting socially responsible behavior throughout the organization and, through its policies and practices, within its sphere of influence; identifying and engaging with stakeholders; and communicating commitments, performance and other information related to social responsibility” (ISO, 2010).

ISO 26000 was created to be implemented in all types of companies regardless of their activity, size or location. According to the ISO (2010), the objective of social responsibility is to contribute to sustainable development, and in order to fulfill this objective, they have created a standard that can be implemented by every company in the world (ISO, 2010).

1.2.2. SA8000 and AA1000

ISO 26000 is certificate that includes general standards of CSR; however, there are also other certificates that are specific for certain topics. These specialized certifications are SA8000 and AA1000.

SA8000 is a voluntary certification that was created for an organization in the United States called “Social Accountability International” (SAI) by the Council on Economic Priorities Accreditation Agency. The purpose of the certification is to promote good working conditions and its content is based on international agreements including aspects like social justice and respect to labor rights. The principles of SA800 consider international human and labor rights and some of them are to establish the minimum conditions to have a healthy and safe environment at work, and freedom of association and collective bargaining. In addition, it contains norms regarding working hours, salaries, the elimination of discrimination, and the prohibition of child and forced labor (FAO, n.d.).

If a company wants to participate in the certification, it is necessary to go to SAI approved agencies. The agency makes an initial inspection and once the requisites are complete, the company is officially under SA8000 conditions. The company will also be supervised regularly to ensure that the company meet the requisites continuously (FAO, n.d.).

The companies that participate in the SA8000 are mostly big agro-industrial firms that export products like banana, pineapple, wine, processed coffee, and tobacco. For these companies, having SA8000 could be translated into better public relations, productivity, quality, and to hire and maintain its workers (FAO, n.d.).

SA8000 does not give prizes or special benefits for the companies that are certified. Thus, the certification name should not be used in the packaging of its products. Furthermore, it is a voluntary certification that neither increases a company’s shares value, nor requires it to give its products a higher price (FAO, n.d.).

AA1000 was created by “AccountAbility” and developed by the Institute of Social and Ethical Accountability. The purpose of this standard is to provide companies with a set of principles regarding social and ethical accountability. The AA1000 guarantees the quality of a company’s accountability, evaluation and disclosure information about social, environmental, and financial aspects (AccountAbility, n.d.).

AA1000 offers the tools that companies can use to develop good communication systems that reflect the organizational values, objectives, and goals. In addition, this standard is designed to be applied by organizations of all kinds and sizes worldwide (AccountAbility, n.d.). Furthermore, AA1000 can be combined with the GRI (Global Reporting Initiative) standards⁵ to guide companies on how to communicate its sustainability reports (GRI, 2016).

1.2.3. CSR International principles

It is necessary to mention that one of the main promoters of the ideas of CSR is the United Nations. In 1999, in the World Economic Forum in Davos, the UN Secretary General Kofi Annan presented a project that included the following core CSR principles:

- ***“Human rights.*** Organizations should support and respect human rights, and not to be associated with human rights violations.”
- ***“Standards of work.*** Companies must recognize workers’ right to form associations and bargain collectively. Furthermore, businesses must follow these principles: the abolition of all forms of forced labor, the elimination of child labor, and the abolition of all forms of discrimination in employment and training.”
- ***“Ecology.*** Companies should carry out preventive measures to avoid environmental problems, carry out steps to a more responsible attitude to the environment, promote the development and diffusion of technologies that reduce a negative impact on the environment.”
- ***“Anti-corruption.*** The business community should work against corruption in all existing forms, including bribery and extortion.”
- ***“Legal responsibilities.*** Legal responsibility should be aimed at improving the enforcement of the legal framework of the territory in which the company markets.”
- ***“Planetary (global) responsibility.*** Planetary responsibility implies voluntary compliance with international standards of social responsibility.”
- ***“Environmental Responsibility.*** Environmental responsibility is aimed at the formation of such social responsibility standards that combine harmonious relationship demands of consumers and society with the rational use of natural resources and competitive ways of business, effective management of the environment and public health from the production of environmentally friendly products, etc.”
- ***“Cultural and ethical responsibility.*** Cultural and ethical responsibilities of business require not only compliance with the relevant territory the cultural and ethical traditions, but also the non-action that runs counter to existing norms of morality (the economic interests of corrupt

⁵ GRI standards are a guide for companies to communicate its economic, environmental and social impacts on their sustainability reports. GRI101 is the first standard that a company adopts to begin with the set application (GRI, 2016).

lobbying practices, the use of double standards to employees or other stakeholders regardless of activity or the country, etc.).”

- **“Philanthropic responsibility.** *Philanthropic responsibility should be directed to the support and development of the society and of the individual marginal groups through voluntary participation in social programs, including through social investment.”*

(Madrakhimova, 2013)

1.3. Corporate Social Responsibility in Ecuador

Most of the Ecuadorian companies do not implement CSR yet, while others are more interested in knowing about CSR in order to make it part of their management systems. However, CSR is still misunderstood by the Ecuadorian society because, a perception research done by the Ecuadorian-American Chamber of Commerce, stated that Ecuadorians are not aware enough about CSR and the spheres in which it operates. However, people consider it important for a company to implement CSR. Moreover, Ecuador has included in its national law the international norms and standards regarding CSR in contemplation of creating awareness on the importance of its implementation. Furthermore, institutions like CERES and IRSE welcome companies that want to join as members in order to receive feedback and guidance on the application of these norms. These topics about CSR in Ecuador will be broadly explained below.

1.3.1. Ecuadorian consumers perception of Corporate Social Responsibility

In Ecuador, CSR is still not implemented by most of the companies. However, the interest that managers and entrepreneurs are having about the application of CSR is continuously increasing. Nevertheless, there is a long way to go, especially because consumers and businessmen perceptions about CSR are still misunderstood or unknown (Corresponsables, 2015).

For example, in 2012, the Ecuadorian-American Chamber of Commerce held an investigation about the perception of CSR in the Ecuadorian market and in businesses. The most remarkable results were that: 75% of Ecuadorians have only a “partial idea” of what CSR means, and about 98% said that as consumers it is very

important when a company is socially responsible, even though, the surveys showed they weren't sure what CSR really meant (El Comercio, 2012).

On the other hand, most people (24%) associated CSR with “comply with laws and obligations” and a 12% with “taking care of the environment.” Furthermore, 60% of the participants said a socially responsible company is mostly identified with respect to workers and 34% with community support. Therefore, according to the investigation, for the Ecuadorian consumers, CSR is strongly linked with environmental care, respect for workers and to the compliance to laws (Torresano, 2012). But entrepreneurs are said to be the group with more knowledge about CSR than the general public because entrepreneurs generally receive training about CSR terms, concepts, and application at work. In fact, the investigation also showed that even if the Ecuadorian society does not have a clear idea of what CSR is and what are the spheres in which it operates, they understand the importance of Socially Responsible Companies and the positive impacts they have on the community, the economy, and the environment (El Comercio, 2012).

In addition, 85% of the participants said that a socially responsible company is better than the others, therefore, a socially responsible company will be perceived in a positive way by the consumer. Nevertheless, the Ecuadorian consumers showed that they still consider traditional criteria like quality, price, brand, and country of origin to make a purchase. Regarding this finding, the investigation showed that the importance that the consumer gives to the mentioned criteria depends on the product or service they will acquire. For example, according to the results of the surveys, in the case of medicine quality, and brand, they are the two first aspects to be considered, and country of origin and price are the last considered. In the case of food, quality, and price are the two first aspects to be considered and CSR and country of origin are the last considered (Torresano, 2012).

Regarding how consumers receive information about CSR, the investigation showed that 79% of the participants get to know about a company's CSR projects and practices through television, 27% through newspapers, 21% through friends' comments, 17% through internet posts, 15% through the radio, 9% through the information on the packaging, and 4% through the company's web pages. Therefore,

television would be the best communication tool that a company in Ecuador could use to communicate its CSR practices to the Ecuadorian consumers (Torresano, 2012).

Based on the mentioned perception investigation, it can be concluded that Ecuadorian consumers have a partial notion about CSR and will have a more positive image about a socially responsible company. Nevertheless, they still do not consider CSR on the first place in order to purchase something. On the other hand, it can be said that Ecuadorian people, are continuously changing the way in which they act as consumers and citizens, trying to be more interested in social and environmental issues, therefore becoming more demanding and responsible consumers.

1.3.2. Ecuadorian norms regarding Corporate Social Responsibility

The Ecuadorian legislation is said to be structured to include the following four aspects: the environment, consumers, employees, and the relationship between the state, the society, and the company. However, it is also said that the Ecuadorian norms about CSR are based on international norms and standards, because as these are worldwide recognized and accepted, they might give a clear guidance on how to apply CSR in every kind of business and with any kind of background (Bandeira & Lopez, 2012).

Therefore, the Ecuadorian companies that do execute CSR practices follow national and international norms. The national norms regarding CSR are stipulated in the “*Ley Orgánica de Empresas Públicas*”, “*Ley de Gestión ambiental*”, “*Ley de Protección al consumidor*”, “*Plan Nacional del Buen Vivir 2009-2013*”, “*Ley de la economía popular y solidaria*”, and the “*Ordenanza Municipal 084 de Responsabilidad Social*”, to mention some examples. On the other hand, the International norms that companies follow include the already mentioned ISO 26000, SA8000 and AA1000, which are voluntary and offer a guidance for companies to implement CSR in their day-to-day practices.

Some examples of companies that execute CSR practices will be briefly listed below, some of them are Ecuadorian companies and other are international companies that operate in Ecuador and are an important part for our economy:

- **Adelca:** the steel company's projects focus on scrap recycling and, as a result, this initiative also generates direct and indirect jobs. Furthermore, by reusing the scrap to produce their steel products, they reduce approximately 74% of the use of energy, 88% carbon emissions and 56% water contamination (Ekos, 2011).
- **Nestlé Ecuador:** their projects are structured for the accomplishment of the Sustainable Development Goals and the 2020 commitments. Their main focus is creating healthy life styles for kids, generating better living conditions for the Ecuadorian communities, and having a zero environmental impact on their daily activities (Nestlé, 2017).
- **Quiport:** the airport's CSR focuses on law enforcement, environmental care, and the reduction of nitrogen oxygen emissions that are product of the plane's engine combustion (Ekos, 2014).
- **Holcim:** the building materials company's projects focus on community development, environmental care and volunteering. This last aspect covers programs related to education, entrepreneurship, environment and security (Holcim, 2016).
- **Azúcar Valdez:** the sugar company's projects focus on community development, worker's rights, and environmental care. Regarding the community, the company mostly seeks to protect kids and their quality of life, and promoting women's health. As for environmental care, they use new technology to avoid contamination and to reduce the use of energy (Ekos, 2011).
- **Pontificia Universidad Católica del Ecuador:** the university's social projects are linked to the university's goals. Their main focus is community development (includes student's development), environmental education, people's health, and volunteering. On December 2012, the university received

the “*Reconocimiento General Rumiñahui*”, an award that is given to public and private institutions with outstanding contributions regarding University Social Responsibility (USR) (Ekos, 2011).

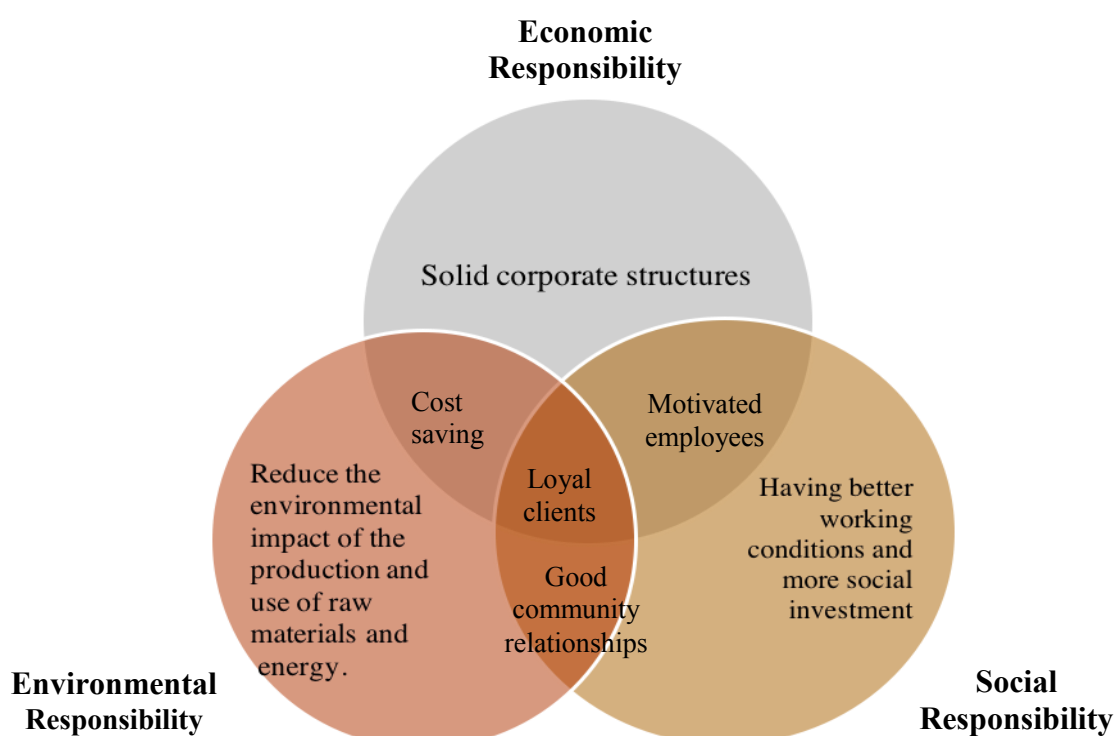
Furthermore, some examples of CSR certifications that Ecuador provides are:

- **“Punto Verde”**: (Green Spot in English) is a certification provided by the Ecuadorian Ministry of Environment (MAE, in its Spanish acronym) in order to promote better productive practices within the public and private sector. Its goal is to foster the competitiveness of the industrial and services sector so they commit with the environmental protection and conservation. The main responsibility areas in this certification are waste management, and efficient use of water and energy (MAE, 2017).
- **“Sello Hace Bien” and “Sello Hace Mejor”**: (Seal: Does Well, Does Better in English) is a certification provided by the Ecuadorian Ministry of Industry and Productivity (MIPRO, in its Spanish acronym) as a recognition to companies that comply with the minimum CSR practices and with the national four main corporate ethics: ethics with workers, with the community, with the government and with the environment (MIPRO, 2016).
- **“Buenas prácticas de manufactura (BPM)”**: (Good manufacturing practices in English) is a certification provided by the National Agency of Health Regulation, Control and Surveillance in order to recognize companies that have good manufacturing practices for processed foods. This certification’s main topics are: the hygiene and training from the staff that handles food, efficient use of raw materials, complying with national and international laws, and avoid a strong environmental impact (Agencia Nacional de Regulación, Control y Vigilancia Sanitaria, 2017).
- **“Sello: Inclusivo Progresivo”**: (Seal: Inclusive Progressive) is provided by the Secretariat of Social Inclusion in order to recognize public or private companies that implement inclusive management systems as part of their CSR practices. The main areas for this certification are: good working conditions,

well-equipped infrastructure, and the respect and inclusion of people regardless of sexual orientation, nationality, religion, etc (Secretaría de Inclusión Social, 2017).

According to the Ecuadorian-German Chamber of Industries and Commerce (2017), the Ecuadorian companies' corporate management generally include three main aspects: economic, social, and environmental responsibilities. These responsibilities, may result at the same time, in benefits for a company (Ecuadorian-German Chamber of Industries and Commerce, 2017). Therefore, Graphic No. 4 will explain: in the outside, the three main responsibilities of CSR; and in the inside, the benefits of each responsibility.

GRAPHIC No. 4
Responsibilities and benefits of CSR in Ecuador



Source: Ecuadorian-German Chamber of Industries and Commerce (2017)

Produced by: Sharon Cañas

As seen in the graphic, according to the Ecuadorian-German Chamber of Industries and Commerce, when a company is environmentally responsible it can reduce the environmental impact of the production and use of raw materials and

energy for the production. When a company is socially responsible, it will be benefited by being recognized for having better working conditions and more social investment. When a company is economically responsible, the benefit is having a solid corporate structure. Nevertheless, if a company combines the responsibilities, the benefits will be greater. For example, combining environmental and social responsibility, will result in good community relationships; combining social and economic responsibility, will result in motivated employees; combining economic and environmental responsibility, will result in cost savings; and combining the three responsibilities (environmental, social and economic), will result in client loyalty.

1.3.3. Ecuadorian Consortium of Companies for Corporate Social Responsibility

In Ecuador, companies generally become members of institutions and organizations that not only have knowledge in CSR, but also expert teams that can guide them to apply effective practices that can give an added value to their businesses.

One of these organizations is CERES (*Consortio Ecuatoriano para la Responsabilidad Social*). CERES offers assessment and training in CSR, and has strategic alliances with “*Pacto Global*” and the “*Red de Periodistas Responsables*” (A group of professionals in the communication area in Latin America that specialize in CSR). With these contacts, CERES can use a wide channel of communication within its stakeholders. The organization’s objective is to promote within its members and the Ecuadorian society, the application of norms, concepts and practices of social responsibility to accomplish Ecuador’s sustainable development. (CERES, 2008)

Some of CERES members are: Banco de Guayaquil, Banco del Pacífico, Banco Pichincha, Citi Bank, CNT, Corporación Favorita, Quiport, Corporación Maresa, Diners Club, EPMAPS, Fundación Coca-Cola de Ecuador, Holcim, Repsol, Graiman, JW Marriot Quito, IBM, Pronaca, Produbanco, and Yanbal (CERES, 2017).

Another institution is IRSE (*Instituto de Responsabilidad Social Empresarial*). IRSE is a private non-profit organization that guides companies to effectively apply CSR norms and principles. The organizations objective is to promote CSR practices,

techniques and methodologies for the development of sustainable activities in a variety of industries (IRSE, 2010).

Some of IRSE members are: Adelca, Mutualista Pichincha, Nestlé, Movistar, Hospital Metropolitano, Eternit, and OCP Ecuador.

Both institutions, CERES and IRSE, help their members incorporate into their management systems the appropriate CSR practices according to their needs and objectives (Bandeira and Lopez, 2012).

To sum up, considering that the specific objective for this chapter was to establish the importance of CSR in the current corporate management strategies, this chapter has provided an overview of the story of CSR and the kinds of responsibilities, motivators and benefits that implementing CSR strategies can have.

Not only does CSR have an impact on the inside of the company regarding employees, processes, and the corporate structure, but also can result in benefits with what is outside the company like having loyal clients, having a better company reputation, and better relationships with communities. It is clear that engaging in CSR comes with great responsibility as it involves an important investment, and a variety of new responsibilities and changes within the corporate management strategies.

However, CSR does not represent an obligation for companies. In fact, the international norms and principles stated in this chapter are only part of the guiding to a voluntary participation on CSR. Therefore, affiliation to certifications like ISO26000, SA8000 and AA1000 are completely voluntary, and their norms do not intend to be more important than national laws. In Ecuador, for example, CSR norms are integrated within national laws, and companies can be voluntarily part of organizations that guide companies in order to effectively execute CSR practices.

Yet, despite not being an obligation, CSR is being voluntarily implemented by more companies around the world because, even if it involves some changes and investment, it also comes with great benefits for the overall performance and image of the firm. In addition, even if CSR does not have a unique definition, it is worth

educating people on the topic in order to avoid misunderstandings and a wrong application.

CHAPTER II

THE COCA-COLA COMPANY

In this chapter, the student will give a brief introduction to The Coca-Cola Company, its mission, vision, objectives and CSR practices worldwide. However, this chapter also includes important information about Coca-Cola's operations in Ecuador, its strategies, its portfolio, and Coca-Cola's CSR practices in Ecuador through "*Fundación Coca-Cola Ecuador*."

Furthermore, this chapter contains an analysis of Coca-Cola's campaigns based on cause-related marketing (CRM) trends, and a brief analysis on customers' buying behavior based on emotional motivators and some basics of neuromarketing.

2.1. About The Coca-Cola Company

The Coca-Cola Company has been one of the biggest companies in the world and its success history involves a beverage that was discovered in an attempt to obtain a medicine and the most well-known advertisement campaigns, always involving happiness, feelings, sharing, and caring. Details about the company can be found below.

2.1.1. History

The Coca-Cola Company was born in 1886, when a curious pharmacist, Dr. John S. Pemberton, created a distinctive soft drink with flavored syrup and carbonated water that could be sold at soda fountains for 5 cents. Dr. Pemberton's partner and bookkeeper, Frank M. Robinson, created the name "Coca-Cola" and designed the trademarked script that is used today. The drink became so successful that Dr. Pemberton decided to sell portions of his business to various people. As the demand for Coca-Cola grew, Joseph Biedenharm installed the first bottling machinery in Mississippi, he became the first person that put Coca-Cola in a bottle. But when many imitations of the beverage appeared, Coca-Cola decided to create a standard and distinctive bottle that was trademarked in 1915 and could be recognized by everybody (World of Coca-Cola Newsletter, 2017).

The first marketing strategy of the company was held through coupons in newspapers that promoted free samples of the beverage. In 1970, the advertising campaigns connected the brand with fun, friends, and good times. In 1993, Coca-Cola started using computer animation; in this year, the campaign with iconic polar bears appeared. In 2009, Coca-Cola held the “Open Happiness” campaign in which the company invited people to pause, refresh with a Coca-Cola, and continue enjoying life’s simple pleasures (World of Coca-Cola Newsletter, 2017).

Coca-Cola’s main CSR program’s goal is Sustainability. According to the Coca-Cola Corporate Social Responsibility Report (2016), the 2016 sustainability highlights (p.6) include successful initiatives for agriculture, climate protection, human and workplace rights, giving back (donations), packaging and recycling, water stewardship, and women’s economic empowerment (Appendix No. 1) (Coca-Cola Corporate Social Responsibility Report, 2016). These highlights will be better and broadly explained further on in section 2.2.2.

2.1.2 Mission

“Our Roadmap starts with our mission, which is enduring. It declares our purpose as a company and serves as the standard against which we weigh our actions and decisions.

- *To refresh the world...*
- *To inspire moments of optimism and happiness...*
- *To create value and make a difference.”*

(The Coca-Cola Company, 2017)

2.1.3 Vision

“Our vision serves as the framework for our Roadmap and guides every aspect of our business by describing what we need to accomplish in order to continue achieving sustainable, quality growth.

- **People:** *Be a great place to work where people are inspired to be the best they can be.*
- **Portfolio:** *Bring to the world a portfolio of quality beverage brands that anticipate and satisfy people's desires and needs.*
- **Partners:** *Nurture a winning network of customers and suppliers, together we create mutual, enduring value.*
- **Planet:** *Be a responsible citizen that makes a difference by helping build and support sustainable communities.*
- **Profit:** *Maximize long-term return to shareowners while being mindful of our overall responsibilities.*

- **Productivity:** *Be a highly effective, lean and fast-moving organization.*”

(The Coca-Cola Company, 2017)

2.2. Coca-Cola’s CSR and Cause-Related Marketing

Cause-Related Marketing (CRM) is a communication tool to increase customer loyalty and to build a company’s reputation by communicating through advertising, packaging, promotions, and webpages a company’s corporate social responsibility (Brønn & Vrioni, 2001) and a brand’s affiliation with a team, event, or social cause that is the same with which the consumer has affinity (Bloom, et.al., 2006). Furthermore, CRM and CSR are considered strategies that can get to the psychological side of purchasing in consumers’ minds. Therefore, Coca-Cola advertisement campaigns and communication channels, like “Journey”, are considered to use these strategies in order to create connections and loyalty with its clients. To give an example, Coca-Cola’s “Share a Coke” campaign in Ecuador was successful because it generated the feeling of gratitude and the desire of sharing with others, qualities that are part of the Ecuadorian culture; therefore, creating a regional differentiation. This analysis will be broadly presented below.

2.2.1. Coca-Cola’s Communication Channels

Communication channels are one of the most important aspects for a company’s marketing strategy. Traditional advertising methods include ads on television, newspapers, magazines, newsletters, and radio. However, people’s life is changing, there are new preferences, needs and styles of living. Nowadays with the internet era there’s an increased attention to the virtual world. Therefore, companies now participate in the new method of advertisement combined with the traditional one. The new communication channels include internet posts, social media and interactive internet sites like blogs (Silvius, 2016) (p. 198).

Coca-Cola, as many other big companies, uses every popular communication channel for its advertising. It uses newspapers and magazines worldwide, internet posts, social media (Instagram, Facebook, Twitter and YouTube), television, cinema,

radio, and posters and billboards. Even their big red trucks are a big advertising channel. However, the company has also an interactive online platform on its web page, “The Coca-Cola Journey.” This platform contains all the information of the company and its various projects worldwide.

“Journey” was originally a quarterly magazine published by Coca-Cola from 1987 to 1997. According to the then-Chairman and CEO Roberto Goizueta, the magazine's purpose was to chronicle the journey on which the company has embarked. The “Journey” of those days featured stories and professional photography, making it a hit within associates worldwide during the pre-Internet era (Coca-Cola Journey, 2016).

In 2012, when the company re-launched their corporate website, the Digital Communications and Social Media team decided to use again the name, “Journey”, as a modern version of the original concept. It was then when the company started a brand journalism process converting their corporate website into a dynamic digital magazine. Powered by social media, Journey features stories behind the company and its brands, visual content (photography and video), company reports, investor information, job postings, executive blogs and news. This PR tool transformed the way in which the company engages with its readers, critics and stakeholders (Coca-Cola Journey, 2016).

In addition, Journey is a global platform that has about 24 regional sites for more than 30 countries and in 14 different languages. These pages have the same content and design but with publications in the local language and produced by local Coca-Cola communications teams that adapt the contents for local readers. Furthermore, the Journey Media Platforms is a global publishing umbrella that encompasses: the global Coca-Cola Journey website, links to the international versions of the Coca-Cola Journey, the Coca-Cola “Unbottled” blog, and their corporate social media channels (Coca-Cola Journey, 2016).

It is important to mention that most of the information about The Coca-Cola Company and its products that this investigation contains, was taken from the several

international and regional “Coca-Cola Journey” webpages, as well as links to reports, stories and news.

2.2.2 Coca-Cola’s CSR Program (Coca-Cola Sustainability Report 2016)

The main goal of the company’s CSR program is Sustainability. According to the Coca-Cola Corporate Social Responsibility Report (2016), the 2016 sustainability highlights (p.6) include successful initiatives for agriculture, climate protection, human and workplace rights, giving back (donations), packaging and recycling, water stewardship, and women’s economic empowerment (Appendix No. 1) (Coca-Cola Corporate Social Responsibility Report, 2016).

The report is divided into the following parts: Intro, Highlights, our way forward (what people receive from the company in terms of quality and quantity), agriculture, climate, giving back (donations), human rights, packaging, water, women, intersection, progress, and reporting. Details about each section are provided below (Coca-Cola Corporate Social Responsibility Report, 2016).

The “Our way forward” section, contains facts about the company’s evolution to give people the best drinks with the best quality. First, this section shows what is “inside the bottle”, this means the amount of sugar contained in each bottle. According to the report, Coca Cola supports the current recommendations done by the World Health Organization regarding the sugar limits that a person should have, not more than 10% of their total energy/calorie consumption. Second, the “outside the bottle” section shows how Coca Cola improved its bottles with smaller and more convenient packages. It states that about 40% of the company’s sparkling brand are available in packages of 250 ml (8.5 oz.) or less. Third, the “evolving beverages” section talks about the beverages’ improvements with a variety of sophisticated flavors, which are chosen according to consumers’ taste preferences. Fourth, the “supporting informed choices” section, states that Coca-Cola puts clear and easy-to-find nutrition information on packaging to support informed choices, this means the “nutrition facts” tag that each product has. Fifth, the “different drinks” section, makes clear that Coca Cola knows not everyone drinks soda, therefore, they offer many other drinks like organic tea, coconut water, grab-and-go coffee, juices, and purified water.

Finally, the “no advertising targeted children” section states that Coca Cola has a policy of not targeting advertising to children under age 12. This policy is applied everywhere in the world (Appendix No. 2) (p.7) (Coca-Cola Corporate Social Responsibility Report, 2016).

“Agriculture” involves an important part of the production. According to the company, having a healthy agricultural supply chain is essential to the well-being of communities, economies, and the environment. The company’s goal is to have more sustainable sources by 2020, therefore, farm suppliers need to meet certain standards regarding human and workplace rights, environmental protection, and responsible farming management. Furthermore, each beverage contains “4 ingredient categories”: fruits, sweeteners, coffee, and tea, from which derives their “14 priority ingredients” that are cane sugar, beet sugar, high fructose corn syrup, stevia, tea, coffee, oranges, lemon, grapes, apples, mangos, palm oil, soy, and paper fiber for packaging. These are sourced from all over the world following the company’s “Sustainable Agriculture Guiding Principles” (Principles in Appendix No. 3) (Coca-Cola Corporate Social Responsibility Report, 2016).

The “Climate protection” section, ensures that the company is working responsibly to manage its manufacturing emissions and improve their energy efficiency per liter of product produced. Furthermore, as their goal is also to reduce their “Carbon footprint,” Coca-Cola has 81 operational renewable energy projects in 25 countries (p. 9) and 2% energy efficiency improvement within their manufacturing operations. In addition, the company has “responsible refrigeration” practices by having more environmentally-efficient coolers and vending machines, and bottles made of up to 30% plant-based materials (Coca-Cola Corporate Social Responsibility Report, 2016).

As part of “giving back,” 1% of the company’s operating income is invested back into the community through The Coca-Cola Foundation (launched in 1984) and The Coca-Cola Company, as a global philanthropic tool of the company. According to the report, more than \$106M were donated in 2016 in grants focused on water, women, and community well-being (Appendix 4), helping countries and territories

around the world (Appendix No. 5) (p.10) (Coca-Cola Corporate Social Responsibility Report, 2016).

Regarding “human and workplace rights,” the business relies on their “Human Rights Policy” and the “Supplier Guiding Principles” (Appendix No. 3). Some examples of initiatives are: an annual “Corporate Equality Index”; 40 human rights training programs to bottlers, suppliers, and auditors; 11 “Diversity Advisory Councils and Business Resource Groups”; and collaborating with NGOs and the “Institute for Human Rights and Business” (IHRB) to develop a “Mega-Sporting Event Platform for Human Rights” (MSE Platform)⁶. Furthermore, the workplace’s main values are trust, dignity, communication, fairness, rights, respect, and sense of community (p.11) (Coca-Cola Corporate Social Responsibility Report, 2016).

About “packaging and recycling”, the company states that it has increased the use of renewable materials, recovered packages for reuse, and increased the use of recycled materials (Appendix No. 6). Therefore, they have invested more than \$125M in the development and installation of 2 plants in Mexico, *IMER* and *PetStar*. The last one mentioned is the largest food-grade PET bottle-to-bottle recycling plant in the world (p.12) (Coca-Cola Corporate Social Responsibility Report, 2016).

In order to establish a more water-sustainable business, for every drop of water they use, Coca Cola wants to give one back. The projects that contribute to this goal are partnering with organizations like World Wildlife Fund (WWF), USAID and United Nations to: improve safe access to water and sanitation (wells, water storage facilities, purification and septic systems), protect watersheds (conserving and restoring water quantity or quality) and provide water for productive use (rainwater harvesting or water reuse for irrigation) (Appendix No. 7) (p. 13) (Coca-Cola Corporate Social Responsibility Report, 2016).

⁶ “The Mega-Sporting Events Platform for Human Rights (MSE Platform) is an emerging multi-stakeholder coalition of international and intergovernmental organizations, governments, sports governing bodies, athletes, unions, sponsors, broadcasters, and civil society groups. Through dialogue and joint action our mission is to ensure all actors involved in staging an event fully embrace and operationalize their respective human rights duties and responsibilities throughout the MSE lifecycle.” (IHRB, 2017)

Finally, regarding “women’s economic empowerment,” “The Coca Cola Company,” with its initiative “5by20”⁷ help women build their businesses, support their families and build their communities. According to the report, more than 500,000 women were enabled in 2016 in 64 countries in areas of their value chain as producers, suppliers, distributors, retailers, recyclers and artisans (p.14) (Coca-Cola Corporate Social Responsibility Report, 2016).

2.2.3. Cause-Related Marketing Trends

According to Barone, Miyazaki and Taylor (2000), Cause-Related Marketing (CRM) is a strategy designed to promote the achievement of marketing objectives via company support of social causes. Therefore, a cause marketing relationship involves a for-profit firm aligning with a nonprofit organization that is dedicated to a specific social cause (Gourville & Rangan, 2004). On the other hand, it is also a communication tool to increase customer loyalty and to build a company’s reputation. In CRM, companies communicate through their advertising, packaging, promotions and webpages their corporate social responsibility (Brønn & Vrioni, 2001). According to Brown and Dacin (1997), CRM strategies can engender favorable attitudes and purchase intentions. However, it could also result in negative perceptions about a company’s motivation to engage in social causes. This means that people might think that the company wants to exploit the cause to generate sales (Barone, et.al., 2000).

Therefore, the for-profit organization has the option to invest its marketing budget in either a social cause or a more commercial promotional project. However, companies could get better returns through investing in social causes rather than in commercial ventures, because the commercial promotion project shows the benefits of purchasing from a specific brand, but the alignment with the social causes highlights in the company’s association and affinity with a particular sport, entertainment event, nonprofit organization, or social cause (Bloom, et.al., 2006). Bloom, Hoeffler, Keller and Baurto (2006) stated that most of the time, CRM involves that per every unit sold of a brand, the company makes a donation to a cause. This contribution can lead to more positive feelings about a brand in consumer’s minds because they will also be

⁷ The “5by20” initiative is a goal in which Coca-Cola wants to enable the economic empowerment of 5 million women entrepreneurs across the company’s value chain by 2020 (Coca-Cola Company, 2016).

contributing to the cause with their purchase. However, this positive feeling can be greater when a brand's affiliation with a team, event, or social cause is the same with which the consumer has affinity (Bloom, et.al., 2006).

An important part of CRM is the way in which the company communicates its affiliation with causes. In order for a company to have an effective cause marketing campaign, it might have to have the following five elements (Panepinto, 2016):


- 1. Simple and inspiring messaging:** a compelling simple message that shows what the campaign's matter is. For example: #ITouchMyselfProject to create awareness for breast cancer.
- 2. Strong visual storytelling:** in today's world, where people are more driven by an image or short video, it is important to avoid text-based content. For example: UNICEF's cyber bullying campaign using images of fear and subjugation with a modern twist.
- 3. A physical element or exhibit:** despite the importance of social media, it is important to include elements that people can experience in the real world. For example: "The Unforgotten" campaign for gun safety placed mannequins dressed in the clothes of gun violence victims in the same spot where they were shot. Next to the mannequin, people could read the story of the victim's tragic death.
- 4. Strong emphasis on social sharing and earned media:** involves providing multiple content that is specifically effective in each social channel. For example: "Dumb Ways to Die", with its "Look at Me" campaign to attract attention to domestic violence, invaded social media with digital games, music videos, and an animated song, to have an impact on people.
- 5. Focus on a big issue coupled with a request for a small personal action:** First, it is necessary to call people's attention to a big issue and then, ask them to do something small as a sign of commitment. For example: ALS Bucket Challenge goal, and first step, was to get people to dump ice and water on



their heads and challenge up to three friends to do the same to raise awareness of a sickness. The second small step, was to raise funds once people engaged for the cause.

Regarding Coca-Cola's actions towards social causes, part of their marketing strategies includes supporting charities and community projects. Some examples are: "ParkLives", a program that encourages people to get outdoors, meet their neighbors and enjoy green spaces in their local community by partnering with local authorities; "StreetGames", which aims to make sports available for young people in disadvantaged communities, and use the power of sport to change young people's lives for the better; and their partnership with the World Wildlife Fund (WWF) to help protect the environment at a global and local level (Coca-Cola Journey, 2017).

As for Coca-Cola's CRM campaigns, there are some examples to analyze that can be helpful to understand the impact of their campaigns and the message they want to deliver to people, following the five suggested elements for an effective CRM campaign (Table No. 2):

TABLE No. 2
Elements of Coca-Cola CRM campaigns

#	Campaign	Elements	Description
1	Coca-Cola Supports Hurricane Harvey Relief and Recovery in Local Communities  Image No. 1: Hurricane Harvey Relief logo Source: Coca-Cola United, 2017	Simple and inspiring messaging	Support the American Red Cross as they provide disaster relief to those in the path of Hurricane Harvey.
		Strong visual storytelling	The campaign image shows people that is helping to carry bags full of donations and a red cross volunteer that shows the partnership with red cross and people's willingness to help.
		A physical element or exhibit	People can volunteer to help.
		Strong emphasis on social sharing and earned media	Ads in social media show pictures of what Coca-Cola is doing and highlighting the \$1 Million donation for the cause.
		Focus on a big issue coupled with a request for a small personal action	First, focusing on the effects of Hurricane Harvey and then, asking for people's donations by visiting

			Coke.com/give and entering a code found under Coca-Cola beverages caps.
2	Share a Coke  Image No. 2: Share a Coke logo Source: Coca-Cola Store, 2017	Simple and inspiring messaging Strong visual storytelling A physical element or exhibit Strong emphasis on social sharing and earned media Focus on a big issue coupled with a request for a small personal action	Share a Coke #shareacoke Friends sharing cokes with their names or phrases like “Family” and “Friends.” It inspires people to keep sharing. The bottles and cans with people’s names. People shared pictures of their customized bottles on social media. The main focus was creating collective, rather than individual experiences. And the small action was “sharing a coke” with someone to create genuine connections. It also promoted a different message for “sharing.” It motivated people to be grateful.
3	Artic Home  Image No. 3: Artic Home logo Source: Coca-Cola European Partners, 2017	Simple and inspiring messaging Strong visual storytelling A physical element or exhibit Strong emphasis on social sharing and earned media Focus on a big issue coupled with a request for a small personal action	“Help protect & donate” and “Together we can help protect their home” Ads included videos and statistics about climate change and how polar bears are in danger. Coca-Cola turned its red cans into white cans with polar bear images to create awareness. People shared pictures of their limited edition white cans on social media. First, Coca-Cola mentioned facts about climate change affecting polar bears and their habitat. Second, people is encouraged to text a package code that will generate a \$1 donation to WWF’s protection projects.

Source: Coca-Cola Journey, 2017

Produced by: Sharon Cañas

As stated above, CRM is not only about supporting social causes, but also about affiliating to activities and events with which people have affinity too. For example, to get to a target that likes sports, Coca-Cola has sponsored events like FIFA World Cup, National Football Championships, Olympic Games and Athletes

competitions. Therefore, their strategy is getting to a specific customer group and showing an interest and support for their interests too.

Another important aspect about Coca-Cola's campaigns is that they try to get to the customer not only highlighting the product's taste and quality, but also by relating their brand and products with new experiences, feelings and emotions. But before knowing which strategies to use, they should analyze what emotions drive consumers to buy. According to Carmen Nobel, senior editor of Harvard Business School Working Knowledge, "Neuromarketing" is the field that helps companies to understand the psychological part of consumption because it uses neuroscience to determine why we prefer some products over others and what motivates us, as customers, to buy certain products (Nobel, 2012).

CRM and CSR are strategies that can get to that psychological purchasing part of consumers' minds. It is known that sometimes, we tend to buy driven by emotions and feelings. For example, CRM gets to an emotional connection between the brand and social causes or customer's affinities; and CSR gets to a customer awareness on the companies' efforts to "give back" and "contribute with worldwide concerns." According to Magids, Zorfas, and Leemon (2015), this strategies work because they can get along with people's emotional motivators. A customer is emotionally connected with a brand when it aligns with their motivations and helps them fulfill deep, often unconscious, desires. Some examples of emotional motivators include desires to stand out from the crowd, have confidence in the future, feel a sense of freedom, enjoy a sense of well-being, feel a sense of belonging, protect the environment, feel secure, and succeed in life (Magids, et.al, 2015).

To give an example, Coca-Cola's "Share a Coke" campaign generates the feeling of gratitude and the desire of sharing with others. The emotional motivators that drive the consumption of its products might be to "stand out from the crowd" because of the customization with names in the bottles; "have confidence in the future", because of the collective emotions rather than the individual ones; "feel a sense of freedom" because people can add their names to a tag by going to an online platform, so they are free to add as many names and phrases as they want; and "feel a sense of belonging" because if someone shared a coke with them, they felt part of the

group of people that created a genuine connection with the others and that also owns a coke with their name.

For international companies, studying CRM on an international level is crucial, as

both the type and extent of the needs expected to be fulfilled from the socially responsible firm will depend upon the social segment's culture and ethics, the legal environment, and the degree to which the members of the social segment perceive that such needs are not fulfilled (Angelidis & Ibrahim, 1993).

Therefore, Coca-Cola, as a company that operates worldwide, has to make sure that its CRM strategies take into account those specific characteristics that differentiate every market. In order to achieve this, the company has regional webpages and, as stated above, “Coca-Cola Journey” also has its regional information. The regional differentiation means customizing all the information of a company by regions, so it will be specific to every market needs, preferences and interests. This regional customization generates a “regional feeling” and follows the emotional motivator of “feeling a sense of belonging.”

To give an example, the “Share a Coke” campaign was one of the most successful campaigns in Ecuador because of the integration of an international campaign with a regional differentiation aspect. This means that Coca-Cola launched in Ecuador the “Share a Coke” campaign including on its cans a wide range of Ecuadorian names in order to adapt to this market. However, some people considered the list was a little limited and demanded more common names. So, Coca-Cola launched more names and also enabled people to print their own names and phrases in machines that Coca-Cola took to several places in the country (Coca-Cola Journey, 2016). Therefore, not only did this campaign achieve its goal to create connections and promote sharing, but also it enabled people to feel a sense of belonging, to feel a sense of freedom, and to stand out from the crowd.

Therefore, “Share a Coke” was successful in Ecuador because of its regional differentiation, its focus on people’s feelings, the creation of new experiences, the promotion of a new way of sharing, and the focus on satisfying the Ecuadorian

consumer needs and demands. As a result, people really felt a connection with the brand and purchased more and more customized bottles (Coca-Cola Journey, 2016).

This analysis of the psychological side of consumers purchasing behavior will help the student to understand and analyze the Ecuadorian consumer's answers regarding their perceptions of CSR and their motivations to purchase Coca-Cola. Are these purchases impulsive? Is their buying behavior based on emotional motivators? Do people in Ecuador relate Coca-Cola with feelings and emotions? The surveys will be useful to understand what drives the Ecuadorian consumer to buy a Coca-Cola beverage. This analysis is part of Chapter 3.

2.3. The Coca-Cola Company in Ecuador

Coca-Cola has been established very successfully in the Ecuadorian market. In fact, its portfolio includes only products that go in accordance with the Ecuadorian consumers tastes and interests. Furthermore, Arca Continental is Coca-Cola's bottling company in Ecuador, and is in charge of the packaging, promotion, production and strategies of the Ecuadorian portfolio. In addition, The Coca-Cola Foundation Ecuador is in charge of all the CSR practices and programs of the company, with projects that are focused in attending several community issues. Finally, Coca-Cola considers consumption occasions in order to attract every type of customer. These topics will be broadly evaluated below.

2.3.1. Arca Continental Ecuador

In order to be a global company that operates at a local level, Coca-Cola has created the "Coca-Cola System", integrated by The Coca-Cola Company and more than 250 bottling partners in every region in the world (Coca-Cola Journey, 2017).

With more than 91 years of experience, Arca Continental is the second biggest Coca-Cola bottling company in Latin America. In Ecuador, Arca Continental is in

charge not only of Coca-Cola's products⁸, but also of "Inalecsa" snacks and "Tonicorp" dairy products (Arca Continental, 2016).

Coca-Cola's CSR main goal is Sustainability; therefore, as Arca Continental is responsible for the brand in Latin America, sustainability is also their main goal. Its organizational priorities include: social, environmental, and development and integral well-being (Arca Continental, 2016). Furthermore, Arca Continental joined in 2006 to "The Global Compact", a United Nations organization that focuses on human and labor rights, as part of their commitment to its corporate social responsibilities.

Arca Continental's mission is to *"Generate the maximum value to our clients, partners, communities and shareholders, satisfying at all moments and with excellence, our consumer's expectations"* (Arca Continental, 2017).

In addition, their Vision is to *"Be leaders in all the consumption occasions of beverages and food products in the markets in which we participate, in a cost-effective and sustainable way"* (Arca Continental, 2017).

In the next section (2.3.2), the portfolio that Arca Continental is in charge of will be identified. In Ecuador, Coca-Cola's products are launched in the market according to the Ecuadorian consumers' preferences. Therefore, Arca Continental is also in charge of fulfilling these preferences and to notify to the regional office if a product is not being accepted in the market.







2.3.2. Coca-Cola products and target market in Ecuador

Coca-Cola has a wide portfolio worldwide. However, it is always important that a company adapts its products to the market where it operates. In Ecuador, several Coca-Cola products have been launched and taken out of the market due to consumer's changing preferences and tastes.








⁸ Arca Continental Ecuador is in charge of the following Coca-Cola owned brands: Coca-Cola, Sprite, Dasani, Del Valle, Fanta, Fioravanti, Fuze Tea and Powerade (Coca-Cola Journey, 2017).








Therefore, even if Ecuador enjoys most of the products that are available worldwide, there are others that were created to satisfy the Ecuadorian consumer specifically. Table No. 3 shows the Coca-Cola Ecuadorian portfolio.

TABLE No. 3
Coca-Cola Ecuador Portfolio

#	Name	Flavor variety	Logo	Description
1	Coca-Cola	Original	 <p>Image No. 4: Coca-Cola original logo Source: Coca-Cola Journey, 2017</p>	Has the original formula.
2		Sin azúcar	 <p>Image No. 5: Coca-Cola sin azúcar logo Source: Coca-Cola Journey, 2017</p>	Original formula without sugar.
3		Sabor ligero	 <p>Image No. 6: Coca-Cola sabor ligero logo Source: Coca-Cola Journey, 2017</p>	Original formula with no sugar and less gas.
4	Sprite	-	 <p>Image No. 7: Sprite logo Source: Coca-Cola Journey, 2017</p>	Clear soda with a slight acid taste.
5	Fanta	Naranja	 <p>Image No. 8: Fanta logo Source: Coca-Cola Journey, 2017</p>	Orange soda with a slight orange taste and an addition of real orange juice.
6	Fioravanti	Fresa	 <p>Image No. 9: Fioravanti Fresa logo Source: Coca-Cola Journey, 2017</p>	Red soda with a slight strawberry taste.

7		Piña		Yellow soda with a slight pineapple taste.
8		Manzana	 Image No. 10: Fioravanti Piña logo Source: Coca-Cola Journey, 2017	Clear green soda with a slight green apple taste.
9	Inca Kola	-	 Image No. 11: Fioravanti Manzana logo Source: Coca-Cola Journey, 2017	A golden soda with a slight lemon verbena taste.
10	Quatro	Toronja	 Image No. 12: Inca Kola logo Source: Coca-Cola Journey, 2017	Yellow soda with a slight grapefruit taste.
11	Dasani	sin gas	 Image No. 13: Quatro logo Source: Coca-Cola Journey, 2017	Normal water.
12		con gas	 Image No. 14: Dasani sin gas logo Source: Coca-Cola Journey, 2017	Carbonated water.
13	Fuze Tea	Té Verde - limón	 Image No. 15: Dasani con gas logo Source: Coca-Cola Journey, 2017	Green tea with a slight lemon taste.
14		Té Negro - limón	 Image No. 16: Fuze tea- té verde - limón logo Source: Coca-Cola Journey, 2017	Black tea with a slight lemon taste.

15		Té Verde Mango- Manzanilla	 Image No. 18: Fuze tea- té verde – mango manzanilla logo Source: Coca-Cola Journey, 2017	Green tea with a slight mango and chamomile taste. Sweetened with stevia.
16		Té Negro Manzana y Limonaria	 Image No. 19: Fuze tea- té negro – manzana y limonaria logo Source: Coca-Cola Journey, 2017	Black tea with a slight apple taste with lemon grass infusions. Sweetened with stevia.
17		Té Negro - durazno	 Image No. 20: Fuze tea- té negro - durazno logo Source: Coca-Cola Journey, 2017	Black tea with a slight peach taste with lemon grass infusions. Sweetened with stevia.
18		Naranja	 Image No. 21: Jugo del Valle Fresh- naranja logo Source: Coca-Cola Journey, 2017	Orange juice with Vitamin B3, B6 and B12.
19	Jugo del Valle - Fresh	Durazno	 Image No. 22: Jugo del Valle Fresh- durazno logo Source: Coca-Cola Journey, 2017	Peach juice with Vitamin B3, B6 and B12.
20		Limón	 Image No. 23: Jugo del Valle Fresh- limón logo Source: Coca-Cola Journey, 2017	Lemonade with Vitamin B3, B6 and B12.
21	Jugo del Valle – Nutri defensas	Naranja	 Image No. 24: Jugo del Valle Nutri defensas - naranja logo Source: Coca-Cola Journey, 2017	Orange pulp with Vitamin C and E.

22		Durazno	 <p>Image No. 25: Jugo del Valle Nutri defensas - durazno logo Source: Coca-Cola Journey, 2017</p>	Peach pulp with Vitamin C and E.
23		Manzana	 <p>Image No. 26: Jugo del Valle Nutri defensas - manzana logo Source: Coca-Cola Journey, 2017</p>	Apple pulp with Vitamin C and E.
24	Powerade	Manzana Clear	 <p>Image No. 27: Powerade manzana clear logo Source: Coca-Cola Journey, 2017</p>	Hydrating beverage with a slight green apple taste and Vitamin B3 and B6.
25		Frutos Tropicales	 <p>Image No. 28: Powerade frutos tropicales logo Source: Coca-Cola Journey, 2017</p>	Hydrating beverage with a slight red berries taste and Vitamin B3 and B6.
26		Uva	 <p>Image No. 29: Powerade uva logo Source: Coca-Cola Journey, 2017</p>	Hydrating beverage with a slight grape taste and Vitamin B3 and B6.
27		Mora azul	 <p>Image No. 30: Powerade mora azul logo Source: Coca-Cola Journey, 2017</p>	Hydrating beverage with a slight blueberry taste and Vitamin B3 and B6.
28		Mandarina	 <p>Image No. 31: Powerade mandarina logo Source: Coca-Cola Journey, 2017</p>	Hydrating beverage with a slight mandarin taste and Vitamin B3 and B6.

Source: Coca-Cola Journey, 2017

Produced by: Sharon Cañas

As seen in the table, the main products that Coca-Cola offers in the Ecuadorian market are: Coca-Cola, Sprite, Fanta, Fioravanti, Inca Kola, Quatro, Dasani, Fuze Tea, Jugo del Valle and Powerade. Each of these products has a variety of flavors and formulas that are perfect for any taste and preference (Coca-Cola Journey, 2017). Therefore, Arca Continental is in charge of the packaging, delivery, and marketing strategies of all those products.

Regarding Coca-Cola's target market, it is necessary to mention that the company does not have a specific target market for the whole brand. What the company has are consumptions by occasions. This means every product is created for a certain group of people, with specific needs and preferences (all above the age of 12 years old). Coca-Cola's most important target groups are: teens, youth adults and adults (Coca-Cola Journey, 2017).

Consumption occasions are moments in which people consume Coca-Cola because two products are related (for example, Pizza and Coca-Cola) or because a product best fits a special moment or gathering (Coca-Cola Journey, 2017). For example:

TABLE No. 4
Coca-Cola consumption occasions

Occasion	Product
Lunch (with family or friends)	At home = Coca-Cola's 1, 2 or 3 liters bottle At a restaurant = Coca-Cola's personal size bottle
Breakfast	Jugo del Valle (any size)
Entertainment	Coca-Cola's 500 ml bottle or 330 ml cans
Sports	Dasani or Powerade

Source: Coca-Cola Journey, 2017

Produced by: Sharon Cañas

In addition, every product is targeted to different groups. For example, Teens are Coca-Cola's most important target because they are the ones that are consuming now and will also consume in the future (Coca-Cola Journey, 2017). Therefore, they will also push future generations to consume the products as they will have already built a loyalty to the brand. Table No. 5 gives an overview of the target market for some company's products.

TABLE No. 5
Coca-Cola products vs. Target market

Target market	Product
Teens	Coca-Cola original and Fanta
Youth Adults (YA)	Fuze Tea, Sprite, Fioravanti, Dasani, Quatro, Coca-Cola sin azúcar, Powerade
Adults	Coca-Cola sabor ligero, Jugo del Valle, Dasani, Powerade, Fanta, Inca Kola

Source: Coca-Cola Journey, 2017

Produced by: Sharon Cañas

2.3.3. The Coca-Cola Foundation CSR practices in Ecuador

The Coca-Cola Company and Arca Continental manage *Fundación Coca-Cola Ecuador* since 2000. This foundation's goal is to become a responsible corporate citizen by building sustainable communities with projects focused on water conservation, sustainable packaging, climate change, community projects, environmental education, and the promotion of active and healthy styles of living by 2020. In Ecuador, the foundation holds recycling campaigns to reduce the impact bottles of coke have on the environment (Coca-Cola Journey, 2017).

In Galapagos, for example, several activities take place in order to reduce the impact that waste has on the Marine Reserve, and thanks to their recycling programs, the foundation has collected 128,262 kg of solid waste since 2004 (CERES, 2016). Also, the foundation, together with The Nature Conservancy, execute conservation initiatives to restore 55 acres of the “*Corredor Ecológico Chongón y Colonche*”, one of the biggest and most diverse reserves of dry tropical forests in the country. Furthermore, the “*Agua para el Futuro*” program is a regional initiative that seeks to restore 940,000 cubic meters of water as a way of giving back to nature the same quantity of water that the company uses to produce its drinks (Coca-Cola Journey, 2014).

In addition, another initiative is the “*Hora de Moverse*” program, done with the partnership of The Coca-Cola Company and the University of South California. The purpose is to invite kids ranging from 5 to 12 years old from public schools to exercise at least 60 minutes a day, training 1,650 teachers on techniques to effectively

use the space of the schools for several dynamics, and donate kits with the appropriate materials to execute the program (Arca Continental CSR & Sustainability Report, 2016) (p.17).

Finally, one of the latest socially responsible initiatives taken by Coca-Cola in Ecuador, was after the April 16, 2016 earthquake. As a result of the natural disaster, several communities in Manabí ran out of water. In order to answer to people's needs, The Coca-Cola Foundation started working to create a water plant with simple and double water treatment systems in San Felipe, Tobuga and Jama, three of the most affected areas. According to the foundation, the water plant generates more than 4,900 liters of water and benefits more than 36,000 people each month (Coca-Cola Facebook page, 2017).

Consequently, in Chapter I, a consumer perception investigation in Ecuador about CSR suggested that the Ecuadorian consumer's criterion to purchase is traditional, because they normally consider aspects like quality, price, brand, and country of origin. In addition, the investigation added that CSR was not considered in the first places by Ecuadorians when making this purchasing decision. However, CRM brings to the table a new criterion that people might be unconsciously considering when deciding which product or brand to purchase.

Therefore, this chapter follows this dissertation specific objective to figure out the Ecuadorian consumer's criterion for purchase decision, by exploring with different situations, what can be driving Ecuadorian consumers to buy. If it is not CSR, as the first chapter considered, then something else might be included in people's criteria. Hence, this chapter gives an overview of The Coca-Cola company, but most importantly, of its CSR and CRM strategies. In addition, the basics of neuromarketing were included in order to understand the emotional motivators that the brand Coca-Cola generates and how people psychologically react to the company's campaigns. According to experts, CSR and CRM strategies work because they can get along with people's emotional motivators, and a customer is emotionally connected with a brand when it aligns with their motivations and helps them fulfill deep, often unconscious, desires. So, the biggest Coca-Cola campaigns were analyzed in order to find out that, in fact, they all have the necessary elements for an effective CRM campaign.

In addition, Coca-Cola also considers the “regional differentiation” when making a campaign in different markets. For example, the Ecuadorian portfolio includes products that have been launched specifically to go in accordance with the Ecuadorian consumer’s taste and preferences. In fact, every product from its portfolio is linked to a different “consumption occasion” rather than a group. Hence, Coca-Cola makes people in Ecuador relate its products to a specific occasion and time of the day.

Therefore, the example of the success of the “Share a Coke” campaign in Ecuador showed that Ecuadorian consumers might be also driven by emotional motivators and feelings in order to purchase a product, in this case, Coca-Cola products. This is a result of the campaigns focus on people’s feelings, creation of new experiences, promotion of a new way of sharing, and focus on satisfying the Ecuadorian consumer needs and demands (regional differentiation). Thus, in this chapter, it was found out that the Ecuadorian consumers criterion for purchase might be coupled with an unconscious consideration to the connections, feelings, experiences, and emotional motivators, that the purchase of a certain brand or product brings.

CHAPTER III

MARKET ANALYSIS

This chapter contains a market analysis conducted across the Ecuadorian consumers within the year 2017. In order to gather information, an online survey platform was used. Therefore, this chapter contains information about the online survey, the sample, and the Ecuadorian consumers' answers to the survey. In addition, the methodology to be used will be Lois Mohr, Deborah Webb, and Katherine Harris's Methodology to analyze and interpret data (2001), which will be explained in detail later in this chapter. Additionally, for the methodology's second step, the theory that will support the student's consumer classification will be Andreasen's "Four stages of behavior change model" (1995). These will help understand the Ecuadorian consumers' perceptions regarding CSR and their criteria to make a purchase decision. Furthermore, this analysis will enable a clear idea of the Ecuadorian consumer vision of the Coca-Cola brand and its products.

3.1. The Survey

This subheading will evaluate everything related to the survey and will include the sample content, the process of calculating the sample size (using a statistical formula), and the whole process and structure of the survey.

3.1.1. Sample content

The sample for the survey will be varied and will include a wide number of Coca-Cola's consumers in Ecuador with ages ranging from eighteen to forty-five years old. It is racially diverse and with participants from any socioeconomic status.

3.1.2. Calculation of the sample size

To calculate the number of participants for a survey it is necessary to know the population size. As this dissertation seeks to determine the Ecuadorian consumer

perception, the population size will be the Ecuadorian population. According to INEC⁹ the Ecuadorian population is 16,624,127.

The next step is to follow the statistical formula to calculate the sample size (Lincoln University, 2006). The formula that the student used in the calculation was:

$$\frac{\frac{z^2 \times p (1 - p)}{e^2}}{1 + \left(\frac{z^2 \times p (1 - p)}{e^2 N} \right)}$$

N = population size
e = margin of error (decimal)
z = confidence level (z-score)
p = percentage value (decimal)

The population size is the entire group that will answer the survey. The margin of error is a percentage that describes how much the opinions and behavior of the sample is likely to deviate from the total population. There is the option to choose 1%, 3%, 5% and 10% margin of error. However, 5% is the ideal percentage that is mostly used in investigations. The confidence level tells how reliable a measure is. The commonly used percentages are 90%, 95% and 99%. In the formula, the confidence level will be represented by the z-score. The z-score is the number of standard deviations a proportion is away from the mean. The z-score for 90% is 1.65, for 95% is 1.96, and for 99% is 2.58. Finally, the percentage value is based on the percentage of the sample that is likely to choose a particular answer. If the survey is running for the first time, it is recommended to use p=0.5 to calculate the sample because 0.5 is an estimate that is not too conservative nor too loose (Survey Monkey, 2017).

As for the calculation for this investigation the data is the following:

$$\frac{\frac{1.96^2 \times 0.5 (1 - 0.5)}{0.05^2}}{1 + \left(\frac{1.96^2 \times 0.5 (1 - 0.5)}{0.05^2 (16,624,127)} \right)} = 385$$

N = 16,624,127
e = 5% = 0.05 (decimal)
z = 95% = 1.96 (z-score)
p = 0.5 (decimal)

Therefore, the sample was 385 participants.

⁹ INEC (*Instituto Nacional de Estadística y Censo*) is the Ecuadorian institution for national statistics and population census.

3.1.3 Survey process

The process to gather information was held by a simple randomized sampling. The survey was shared through a link from online platforms (Survey Monkey and Google Forms) since November 10th to November 25th, 2017.

The survey has two versions. The English version was done in Survey Monkey where 100 answers were collected, while the version in Spanish was done in Google Forms where 285 answers were collected. The idea of having a Spanish version was because Ecuador is mainly a Spanish speaking country and more participants wanted to answer the Spanish version to avoid a misinterpretation of the questions.

The main variables that the questions of the survey aimed to gather were: age, preferences, consumption, level of people's awareness of CSR, and importance degree of CSR when purchasing. Other variables regarding products were: price, quality, importance degree of the nutritional properties of the product, level of awareness of the companies CSR practices. In addition, some questions had as a main reference to Coca-Cola and its products so people had a case scenario in which to base their answers.

Appendix No. 8 contains the formats of the English and Spanish versions of the survey. It contains the questions that people had to answer along with the variety of options from which participants had to choose.

3.2. Methodology to interpret data

Lois A. Mohr, Deborah J. Webb, and Katherine E. Harris's Methodology to analyze and interpret data (2001) will be used to analyze the survey's answers. Deborah J. Webb is an assistant professor of marketing at the Richards College of Business at the University of West Georgia. Her research interests are consumer's responses to pro social corporate behaviors, donation behavior, and society and marketing issues. Lois A. Mohr is a retired associate professor of marketing at the Robinson College of Business at Georgia State University. Her research interests

include consumer responses to corporate social responsibility and services marketing (Mohr, L., et. al., 2001).

The methodology they use follows a research to get information about consumers' views concerning the social responsibilities of companies, which was published in "The Journal of Consumer Affairs" in 2001 (Mohr, L., et. al., 2001). In their research, they analyze and interpret data in three steps. First, conducting a survey to collect data and identify variables; second, they examine each case to determine why each participant does or does not take CSR in consideration when purchasing and their perceptions and their criteria in order to make a purchase. Finally, they read all the surveys to identify common themes that will result in final conclusions.

3.2.1. Methodology steps

Step 1: Data Collection

In this step, the student will ask the participants to fill out an online survey. The questions have to be done in a way in which participants do not instantly know that the survey is about CSR, because in some cases, the awareness of the topic prevents people about the response that they should give in order to be perceived as ethical and socially responsible (Mohr, L., et. al., 2001). As people's perception is going to be analyzed, participants will begin with general questions about their view regarding the referred company and, after these, the questions will be more specific, this means, questions will ask for information about CSR and their attitude towards it. In this way, this data will help the student to obtain variables, understand the phenomenon and reach conclusions about attitudes and behaviors among Ecuadorian consumers without biased sentiments.

Step 2: Data Analysis

In this step, each survey is analyzed in order to create subcategories according to the level of response that the participant shows in each question. This will help examine the consumer's attitude towards CSR and measure whether CSR affects consumer decisions and why. In this stage, Andreasen's Four stages of behavior

change model will be used to determine which kind of consumer each participant is. This model will be explained in depth later in this chapter.

Step 3: Identification of common themes

In this step, the student will analyze the categories searching for common themes and patterns that can help understand the individuals. The goal of this step is to produce an interpretation of interpretations (Spiggle, 1994). Once the patterns or common themes are identified, a shorter list should be done choosing the ones that add the most insight about the relationship between the respondents and CSR.

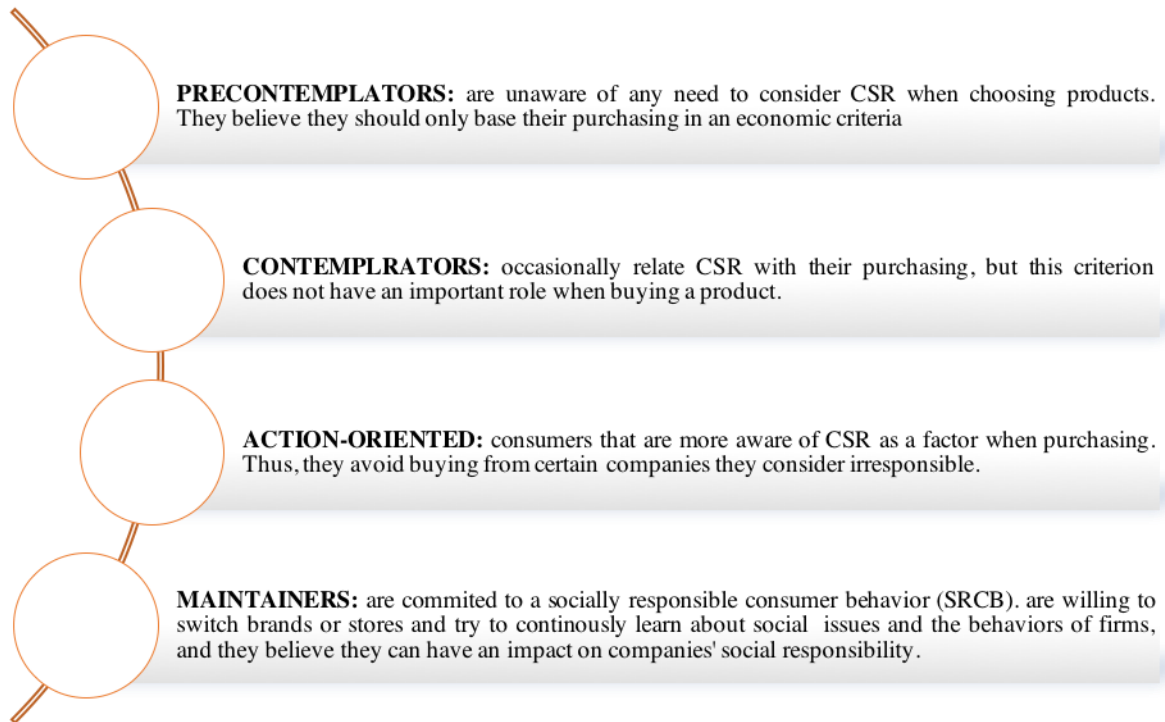
At the end of this last step, the findings will make possible to have final conclusions about the Ecuadorian consumer behavior towards CSR and the hypothesis of this investigation will be proved to be positive or negative.

2.2.2. Four stages of behavior change model

Andreasen's (1995) model has four stages of consumer behavior change: precontemplation, contemplation, action, and maintenance. In the following graphic, each stage is going to be described.

GRAPHIC No. 5

Four Stages of Behavior Change Model



Source: Andreassen, A. (1995) – Marketing Social Change
Done by: Sharon Cañas

For this investigation, participants will be classified by their answers in one of groups listed above. This classification will be useful to understand people's awareness and perception on CSR when making a purchasing decision. This also helps determine if people consider CSR all the time, or if they consider it depending on the occasion, or if they feel the need of considering it in order to buy something. It is necessary that first: the student identifies how aware of CSR consumers are in order to understand people's motives and then been able to classify them in each group.

3.3. Survey Findings

This subheading includes all the information and analysis of the survey results. Every single question will be analyzed and the results will be presented in a chart. In addition, the Methodology to analyze and interpret data will be used considering Lois Mohr, Deborah Webb, and Katherine Harris's research. For the second step of the methodology, Andreassen's Four Stages of Behavior Change Model will be

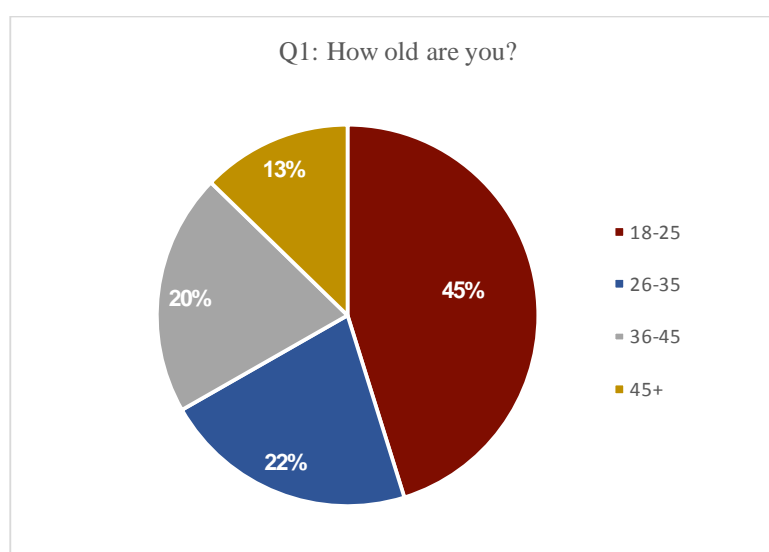
considered. The results and the methodology are useful to identify final conclusions and to prove the Hypothesis and meet the objectives of the dissertation.

3.3.1. Results

After the process of gathering information through the online platforms, it is time to analyze the results. For the second step, each survey was analyzed to identify people's answers, perceptions and preferences. The student conducted 385 surveys to consumers in a variety of cities from Ecuador. The survey contained 10 questions that asked people for general information. Later questions became more specific, requiring answers about their thoughts of the Coca-Cola brand, their products and the way in which they react to them. Appendix 8 contains the survey formats.

Question #1 was "*How old are you?*" The goal with this question was to know the diversity of the sample and to have a clear idea of the generational characteristics of participants, because these can have an effect in people's answers. To start with, as Chart No.1 shows, 45% of the participants were 18 to 25 years old, 22% were 26 to 35 years old, 20% were 36 to 45 years old, and only 13% were older than 45 years old. Therefore, the sample contains opinions of the following main markets: adults (33%) and young adults (67%).

CHART No. 1
Q1: How old are you?



Source: Survey
Produced by: Sharon Cañas

Question #2 was *“Which of the following criteria do you consider when purchasing any product or service? Please put your preferences in order 1-7 (1= first to consider, 7= last to consider)”* The goal with this question was to know the order in which people consider every option when buying a product or service. People were given 7 options to order from 1 to 7. The options were: brand, price, quality, accessibility, company’s social responsibility, company’s publicity campaigns, and product’s nutritional properties. As Chart No.2 shows, the survey helped determine that Ecuadorian consumers consider the following in order to purchase any product or service:

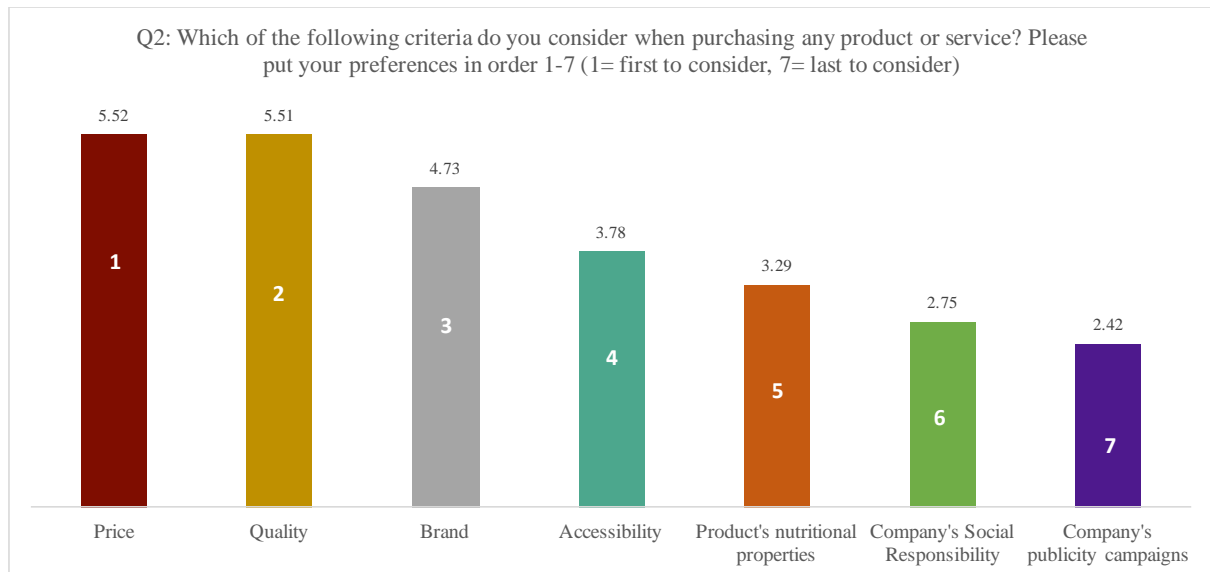
1. Price
2. Quality
3. Brand
4. Accessibility
5. Products nutritional properties
6. Company’s Social Responsibility
7. Company’s publicity campaigns

However, “price” and “quality” were very close when counting the question’s answers. At the end of the calculation, “quality” was second for less than a point¹⁰. On the other hand, the survey shows that CSR is only the 6th option that people consider when purchasing. Therefore, CSR is not part of the most important criteria for Ecuadorian consumers in order to make a purchase decision.

¹⁰ For this calculation, the answers for every option were given a weight. Therefore, the weight gave each option a score, which determined the order of choice (1-7).

CHART No. 2

Q2: Which of the following criteria do you consider when purchasing any product or service? Please put your preferences in order 1-7 (1= first to consider, 7= last to consider)

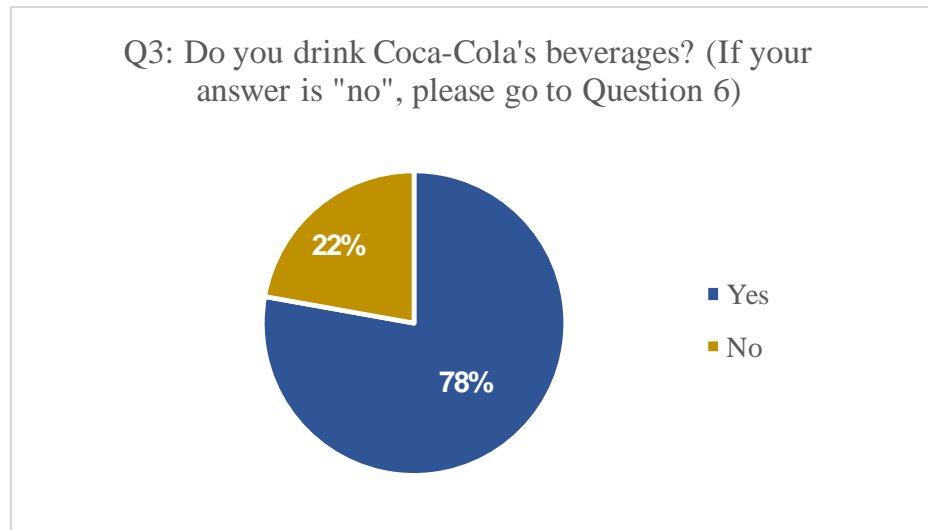


Source: Survey

Produced by: Sharon Cañas

Question #3 was “Do you drink Coca-Cola's beverages? (If your answer is “no”, please go to Question 6)” The goal with this question was to know how many people from the sample consumed Coca-Cola’s beverages. People’s answers showed that from the 385 consumers that answered the survey, 78% consumed Coca-Cola beverages and 22% did not consume them. If people answered “no,” they were taken to question #6. Therefore, 78% of the people would be able to favorably answer those questions regarding Coca-Cola brand and its products (Chart No. 3).

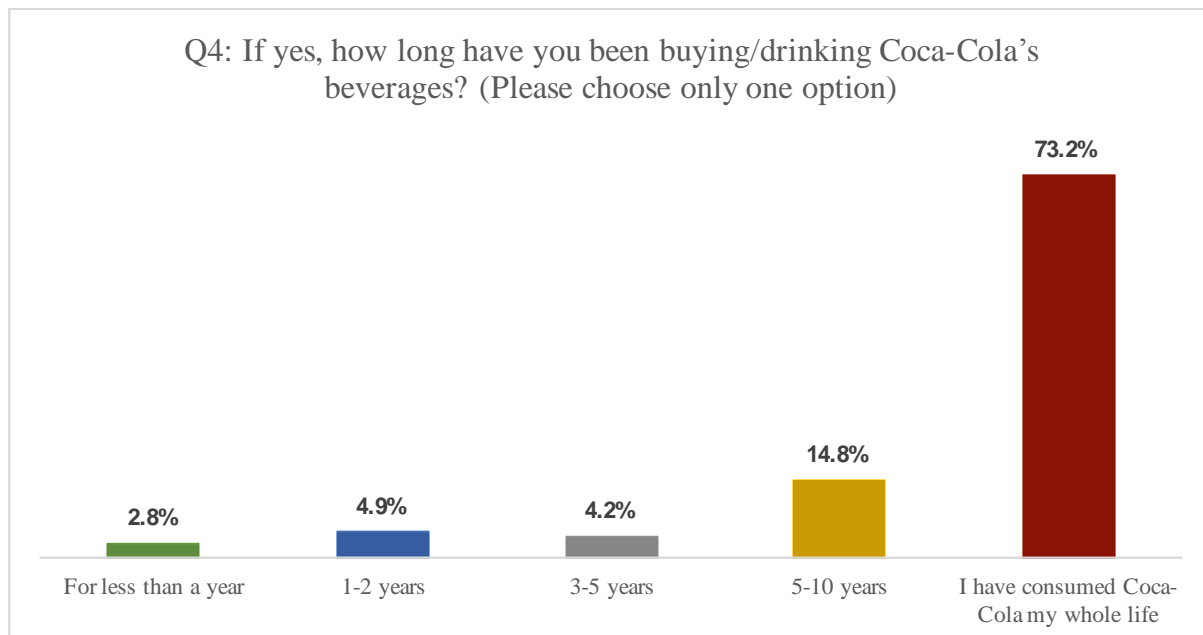
CHART No. 3
Q3: Do you drink Coca-Cola's beverages?
(If your answer is "no", please go to Question 6)



Source: Survey
Produced by: Sharon Cañas

Question #4 was “*If yes, how long have you been buying/drinking Coca-Cola’s beverages? (Please choose only one option)*” The goal with this question was to ask participants that did consumer Coca-Cola how long have they consumed Coca-Cola products, therefore, how loyal have they been to the brand, in terms of time of consumption. As chart No. 4 shows, 73.2% of consumers have consumed from Coca-Cola their whole life, 14.8% have consumed Coca-Cola for the last 5 to 10 years, 4.9% have consumed it for 1 to 2 years, 4.2% have consumed it for 3 to 5 years, and 2.8% have consumed Coca-Cola for less than a year. Therefore, the consumption of the brand shows to be a result of an intergenerational consumption.

CHART No. 4
Q4: If yes, how long have you been buying/drinking Coca-Cola's beverages? (Please choose only one option)



Source: Survey

Produced by: Sharon Cañas

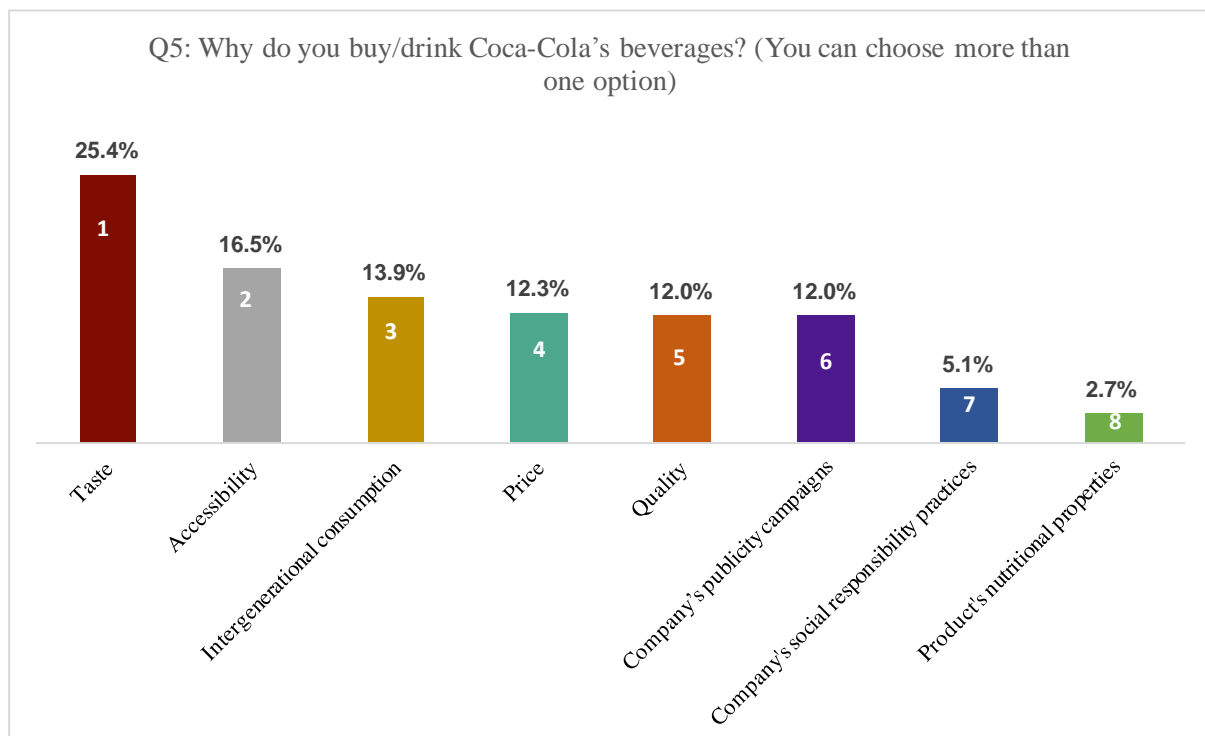
Question #5 was “*Why do you buy/drink Coca-Cola's beverages? (You can choose more than one option)*” The goal with this question was to know the reasons why the people buy and drink Coca-Cola's beverages. The survey showed people consume Coca-Cola for the following reasons (Chart No. 5):

1. Taste
2. Accessibility
3. Intergenerational consumption
4. Price
5. Quality
6. Company's publicity campaigns
7. Company's social responsibility practices
8. Product's nutritional properties

This means that people value a product's accessibility as well as taste in the first places. In addition, in the top 3, “intergenerational consumption” stands out as a reason to consume, what goes along with the result of the previous question, where

most of the people said they have consumed Coca-Cola products for their whole life. On the other hand, the last options for the Ecuadorian consumers were publicity campaigns, CSR practices and the product's nutritional properties. These results also show that people do not consider CSR in the first places when purchasing a product, especially Coca-Cola's products.

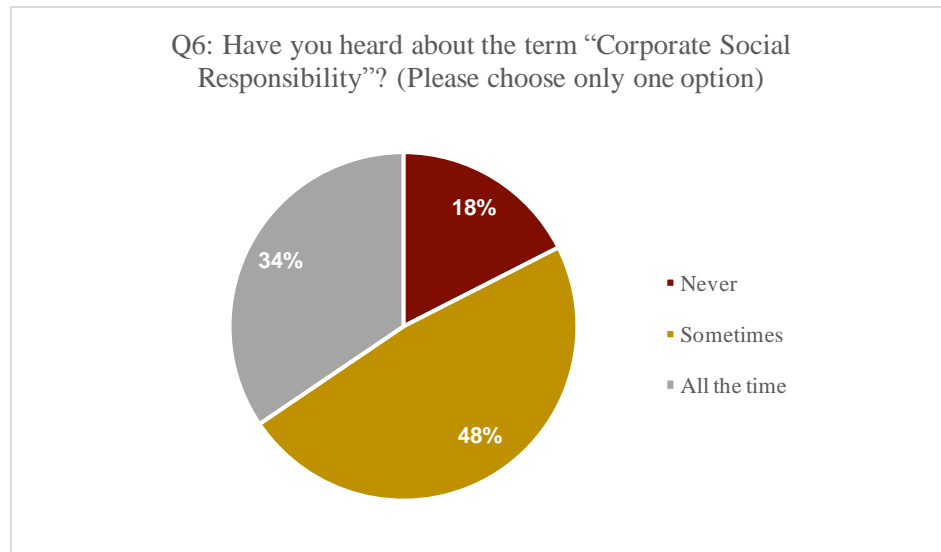
CHART No. 5
Q5: Why do you buy/drink Coca-Cola's beverages?
(You can choose more than one option)



Source: Survey
Produced by: Sharon Cañas

Question #6 was “Have you heard about the term “Corporate Social Responsibility”? (Please choose only one option)” The goal with this question was to know how often do people hear about the term daily. Therefore, this answer will give the student an idea of how much people might know about CSR in order to answer the questions a head. The survey showed that 18% of the participants have never heard about the term, 34% hear all the time about the term, and most of the people, 48% said that they have heard sometimes about the term. This means that the Ecuadorian consumers might have some information of CSR and, therefore, an idea of what CSR means and in which spheres it operates.

CHART No. 6
Q6: Have you heard about the term “Corporate Social Responsibility”?
(Please choose only one option)



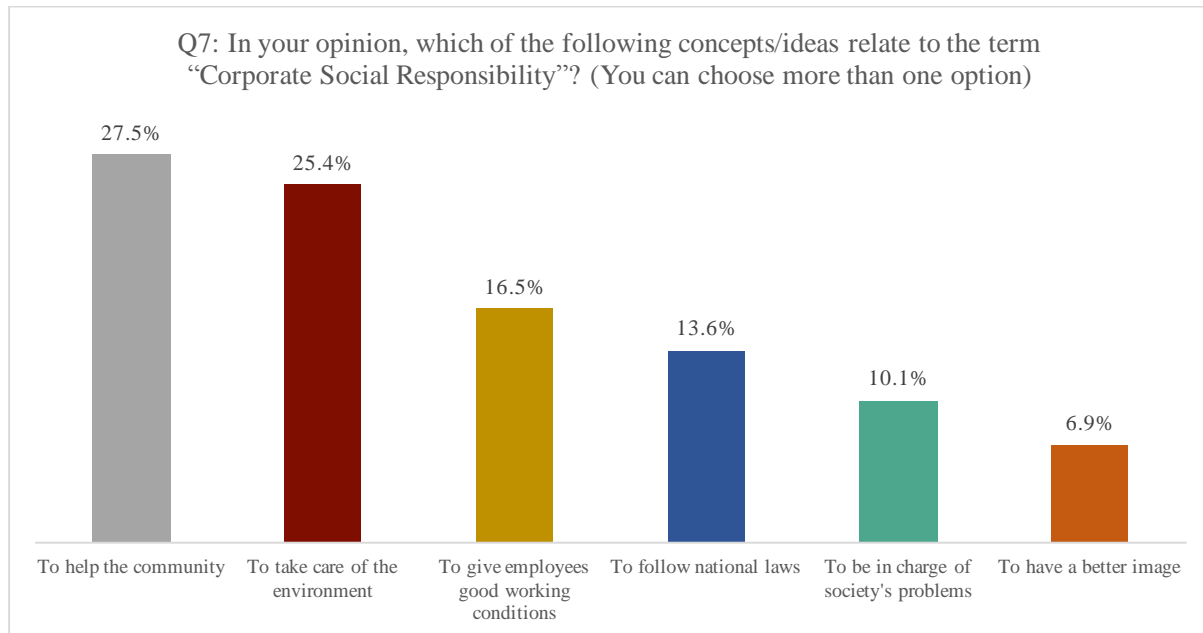
Source: Survey
Produced by: Sharon Cañas

Question #7 was *“In your opinion, which of the following concepts/ideas relate to the term “Corporate Social Responsibility”? (You can choose more than one option)* The goal with this question was to understand what people think CSR means and the spheres in which they consider CSR operates. Participants had to choose from: “to have a better image”, “to help the community”, “to follow national laws”, “to take care of the environment”, “to give employees good working conditions”, and “to be in charge of society's problems”. As Chart No. 7 shows, 27.5% of the participants related CSR to helping the community, 25.4% related CSR to taking care of the environment, 16.5% related CSR to giving employees good working conditions, 13.6% related CSR to following national laws, and 6.9% related CSR to having a better image.

In addition, 10.1% of participants related CSR to being in charge of society’s problems. This was a tricky option, because in any case companies are supposed to be totally in charge of society’s problems, but some participants showed this understanding by adding in the option “Other”, that CSR might not mean being in charge of society’s problems, but to give back to society or compensate society for the company’s activities and possible harm to the community or the environment that they might be causing.

CHART No. 7

Q7: In your opinion, which of the following concepts/ideas relate to the term Corporate Social Responsibility”? (You can choose more than one option)



Source: Survey

Produced by: Sharon Cañas

Question #8 was “*Do you honestly consider ‘Corporate Social Responsibility’ (CSR) when purchasing any product/service? Choose the option that would best describe your answer. (Please choose only one option)*” The goal with this question was to know people’s perception of CSR and to determine if people considered CSR when making a purchase decision by giving them options that could describe their answer. These options, also relate to the classification of the “Model of four stages of behavior change” that was described above. Each option corresponds to one of the stages, as follows:

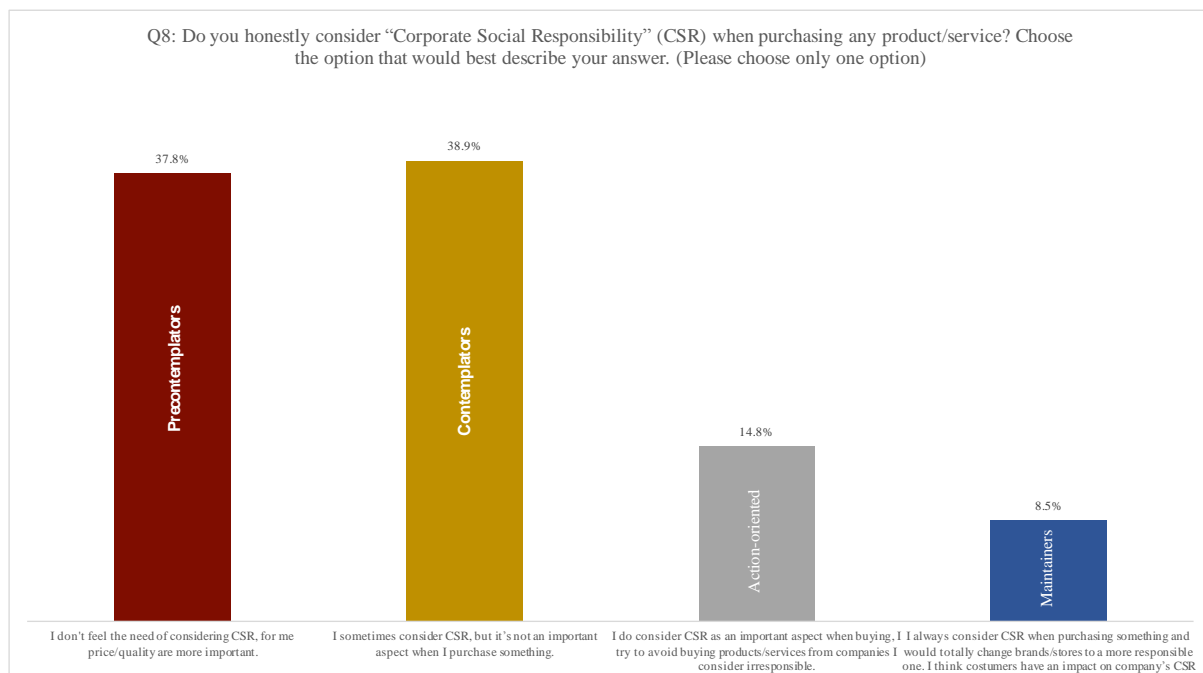
- **Option 1 (Precontemplators):** “I don’t feel the need of considering CSR, for me price/quality are more important.”
- **Option 2 (Contemplators):** “I sometimes consider CSR, but it’s not an important aspect when I purchase something.”
- **Option 3 (Action-oriented):** “I do consider CSR as an important aspect when buying, I try to avoid buying products/services from companies I consider irresponsible.”

- **Option 4 (Maintainers):** “I always consider CSR when purchasing something and would totally change brands/stores to a more responsible one. I think customers have an impact on company’s CSR.”

As Chart No. 8 shows, 38.9% of the participants chose option 2, 37.8% chose option 1, 14.8% chose option 3, and 8.5% chose option 4. Therefore, 37.8% of the participants are classified as “precontemplators” as they rather consider price or quality, than CSR; 38.9% are classified as “contemplators” as they sometimes consider CSR, but not as an important aspect when buying something; 14.8% of the participants are classified as “action-oriented” as they consider CSR as an important aspect when buying and also avoid purchasing from “irresponsible” companies. Finally, 8.5% of the participants are classified as “maintainers” because they chose the option that showed a consideration of CSR when purchasing, these people do think they can have an impact on a company’s CSR and would not hesitate to change brands or stores for a more “responsible” one.

CHART No. 8

Q8: Do you honestly consider “Corporate Social Responsibility” (CSR) when purchasing any product/service? Choose the option that would best describe your answer. (Please choose only one option)



Source: Survey

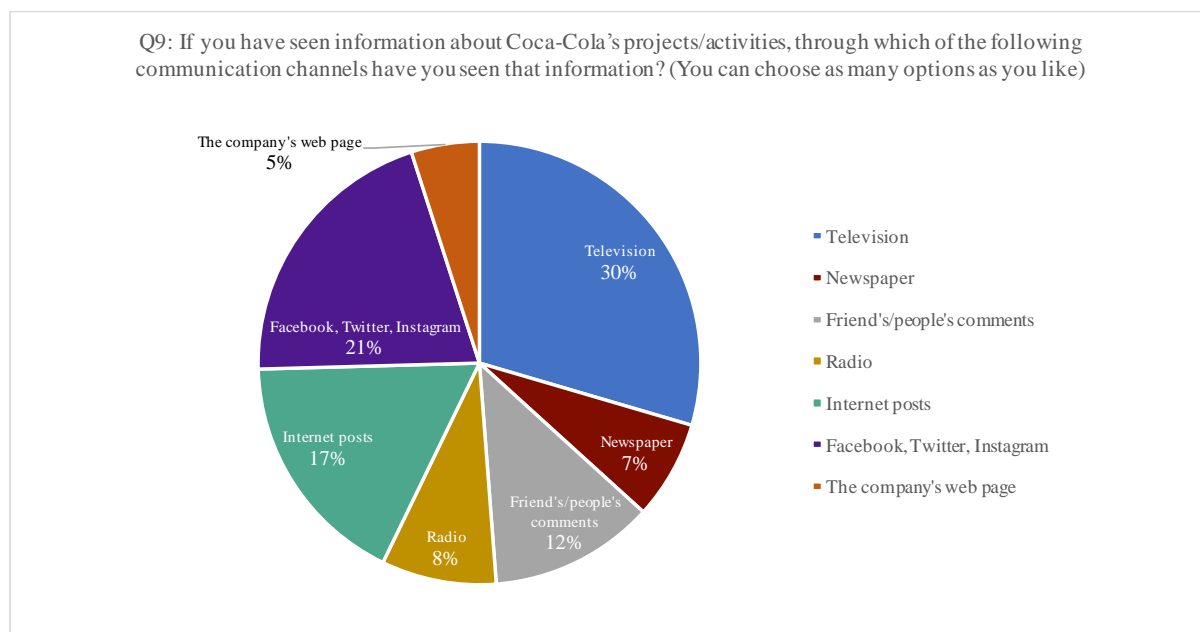
Produced by: Sharon Cañas

Question #9 was *“If you have seen information about Coca-Cola’s projects/activities, through which of the following communication channels have you seen that information? (You can choose as many options as you like)”* The goal with this question was to know which is the communication channel from which more people see information about the brand. Specially, if they really go to a company’s web page to get aware of it and its activities. The options that people were give were: television; newspaper; friend's/people's comments; radio; internet posts; Facebook, Twitter, Instagram; and the company's web page. Therefore, the survey results showed that 30% of the participants have seen information on TV, 21% through social media (Facebook, Twitter and Instagram), 17% in internet posts, 12% through friends or people’s comments, 8% through the radio, 7% in newspapers, and only 5% through the company’s website (Chart No. 9).

These results make clear that the Ecuadorian consumer does not generally visit a company’s website to be aware of its programs and activities. Nevertheless, nowadays in the internet era, it is not surprising that almost 38% of the participants see information online through social media and other internet platforms. In addition, TV appears to be the most effective communication channel as most people chose that channel to be the one from which they see more of the company’s activities and promotions.

CHART No. 9

Q9: If you have seen information about Coca-Cola's projects/activities, through which of the following communication channels have you seen that information? (You can choose as many options as you like)



Source: Survey

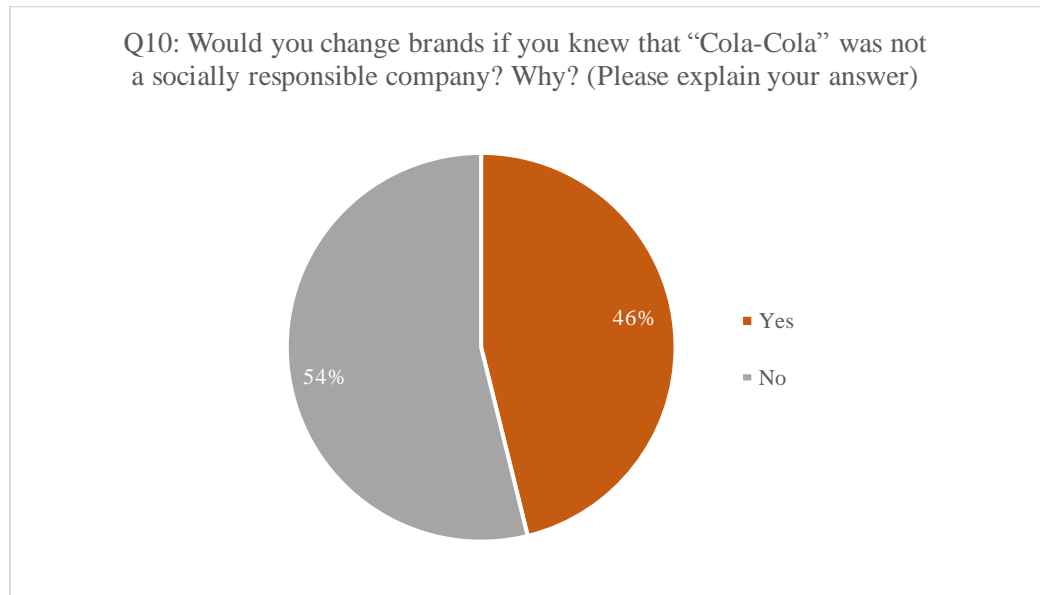
Produced by: Sharon Cañas

Question #10 was “*Would you change brands if you knew that “Cola-Cola” was not a socially responsible company? Why? (Please explain your answer)*” The goal with this question was to see if people are likely to change brands if they knew that a company was not a socially responsible company. This question will also determine how loyal are people to the brand and how important will CSR be for the Ecuadorian consumers in order to alter their purchasing behavior or decisions. As Chart No. 10 shows, 46% of the participants answered “yes” and 54% answered “no”.

These results showed that most of the Ecuadorian consumers would not change brands if they knew that Coca-Cola was not a socially responsible company. However, close to half of the participants showed an interest in CSR, answering that they would change brands if they knew it. As part of the question, people were asked why they answered “yes” or “no”. This last small question was useful so the student could better understand why most of the people said “no” and the motives behind this decision, and also why the other half answered “yes” and the impact that CSR has for them to make this decision.

CHART No. 10

Q10: Would you change brands if you knew that “Cola-Cola” was not a socially responsible company? Why? (Please explain your answer)



Source: Survey

Produced by: Sharon Cañas

As stated above, question #10 had an additional question that was “*Why? Please explain your answer*” The goal of the question was to know the reasons why people chose “yes” or “no.” The answers were classified under a category as many of them were the same. As Chart No. 11 shows, participants answered “no” because:

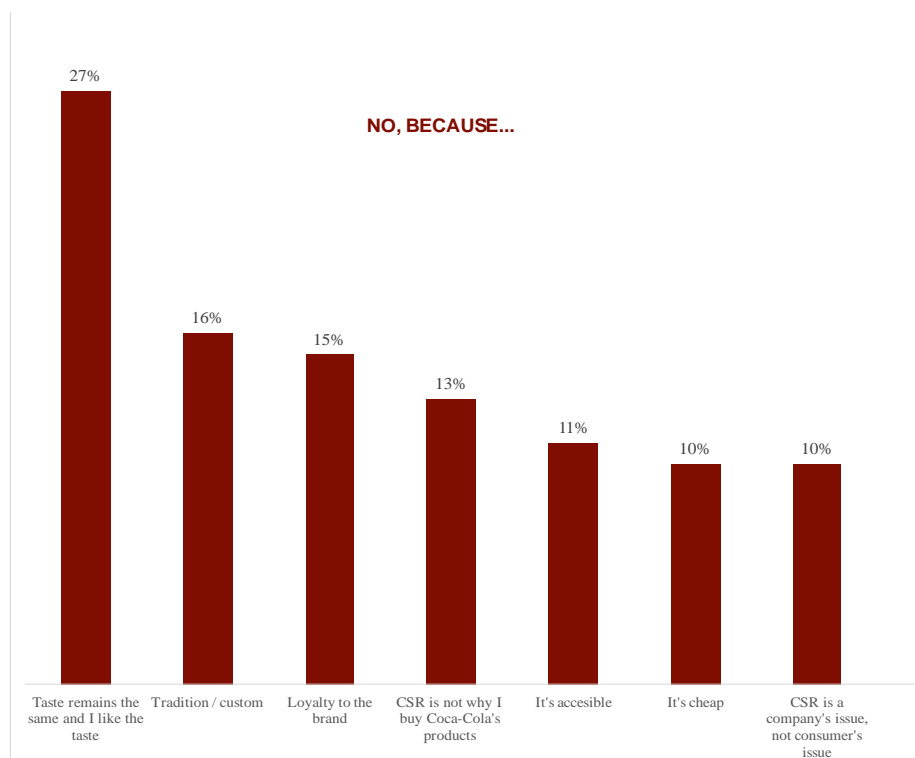
- 27% of them liked the taste of the beverages and consider that if a company is or not a socially responsible company, that does not change the product itself. So, it does not have an impact for them.
- 16% of them would not change it because they consider that consuming Coca-Cola is already embedded in their lives. They think it is already a tradition or custom for families and individuals to consume it.
- 15% of them said they are so loyal to the brand, that they would not change it.
- 13% of them do not buy Coca-Cola because of their CSR practices, therefore, they would not change it.
- 11% of them think it is accessible as they can buy it anywhere.
- 10% of them think it is cheap. And other 10% consider that CSR is a company’s issue, not a consumer’s issue. Thus, they do not think that to stop consuming will solve the problem.

On the other hand, participants answered “yes” because:

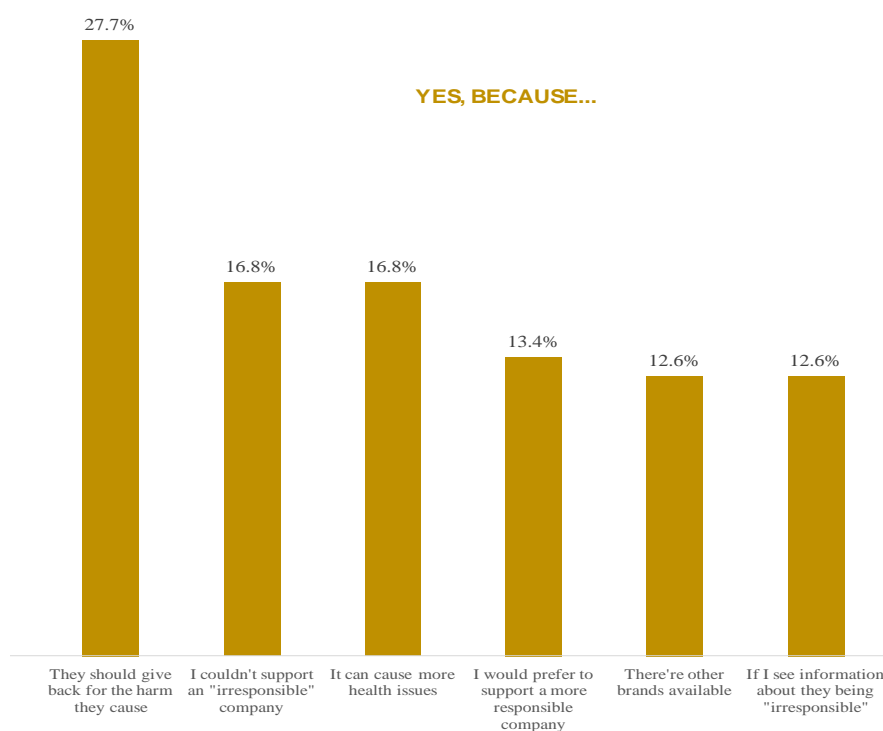
- 27.7% of them consider that companies should give back for the harm they have caused, and if a firm does not do it, then they would change brands.
- 16.8% do not feel they could support an “irresponsible” company.
- Another 16.8% consider that supporting their “irresponsible” activities can cause even more health issues.
- 13.4% of them would rather prefer to change brands and support others that are more “responsible”.
- 12.6% of them would change brands because they consider there are other brands that offer similar products.
- Another 12.6% would change brands if they see information about the company being “irresponsible”. They consider that if there is information available about it, then it is not appropriate to ignore it.

CHART No. 11

Q10: Would you change brands if you knew that “Cola-Cola” was not a socially responsible company? Why? (Please explain your answer)



(Continued from Chart No. 11)



Source: Survey

Produced by: Sharon Cañas

3.3.2. Ecuadorian consumer's perspective

Based on the results above, the survey showed:

- Participants are mostly adults and young adults, 78% of them do consume Coca-Cola's products.
- Consumers consider price, quality and brand in the first places when purchasing any product or service. Meanwhile, CSR is considered only in 6th and 7th place. Therefore, CSR is not part of the most important criteria for Ecuadorian consumers in order to make a purchase decision.
- 73.2% of participants have consumed products from Coca-Cola their whole life. This answer suggests that Ecuadorian consumption behavior towards the brand is a result of intergenerational consumption.
- Consumers buy and consume Coca-Cola products because they like the taste, they like it is accessible, and because of intergenerational consumption. While CSR is considered in the 7th and almost last place.

- 18% of the participants said they have never heard about the term CSR, 34% hear all the time about the term, and most of the people, 48%, said that they have heard sometimes about the term. This means that the Ecuadorian consumers might have some information of CSR and, therefore, an idea of what CSR means and in which spheres it operates. However, they are not totally sure about what CSR means and the effects it has for the companies and for society.
- The Ecuadorian consumer relates the term CSR with: helping the community, taking care of the environment and providing good working conditions. In addition, people suggested that for them CSR also means giving back or compensating a community and the environment for any harm they might have caused during their activities.
- The Ecuadorian consumer does not visit a company's website to be aware of its programs and activities. However, nowadays in the internet era, almost 38% of the participants see information about the company online through social media and other internet platforms (blogs). Thus, Television appears to be one of the most effective communication channels as most people chose Television as the channel from which they see more information regarding the company's activities and promotions. The second most effective, is social media.
- People's opinions about changing brands if a company was not socially responsible are divided in almost 50/50. Consumers that said they would not change brands, support this decision by stating that they do not consider CSR as an important aspect to buy Coca-Cola's products, as they believe CSR practices does not have any impact in the product itself. They also consider that taste and price remains the same regardless of the company's engagement on CSR. In addition, they highlight their preference because of how accessible the product is. Thus, they think that to stop buying the product will not represent a solution, because, according to them, CSR is a company's issue, not a consumer issue.
- People that answered that they would change brands if they knew Coca-Cola was not a socially responsible company supported their decision stating that they expect a company to be responsible with their actions towards a

community and the environment. Therefore, they would not feel they can support an “irresponsible” company and would rather support a company that is “responsible”. In addition, some of them also consider there are many other brands in the market with similar products, so they could easily change brands. Finally, others would change brands only if they had the necessary information about the “irresponsible” attitudes, as they think that if there is information available, it should not be ignored.

Therefore, the Ecuadorian consumers can be classified, based on Andreassen’s Four stages of behavior change Model, as mostly contemplators and precontemplators. Contemplators, because some participants put some thought in CSR, but it does not affect their buying behavior because they do not consider CSR as an important aspect in order to buy any product or service. This group believes that CSR is important, but are also likely to think that as consumers, they cannot have a real impact in a company’s CSR. Notwithstanding, Ecuadorian consumers are also classified as precontemplators, because some of them also showed that they do not base their purchasing on CSR because they rather decide based on traditional criteria (price, quality, accessibility, intergenerational consumption). This means that the Ecuadorian consumer might lack knowledge about a company’s activities on CSR, they have never thought about purchasing in a responsible way, or they are simply too self-interested and short-term oriented on the matter.

3.3.3. Common Themes

Hence, after having an overview of the Ecuadorian consumer’s perceptions, it is time to make the interpretation of interpretations. Thus, the common themes that the student found were:

1. There’s the need for more information about CSR

According to the answers, 18% of participants have never heard about CSR; that means, about 69 people in the survey. Also, 48%, that represent about 185 consumers, have sometimes heard about the term. In addition, when people were asked about the reasons why they would change or not brands if knowing the

company was not socially responsible, a great number of people said they did not consider it a consumer issue and also, that they would change brands if they had information available about the company's CSR. Nevertheless, this goes in accordance with people's answers about the channels from which they know about the company's activities, because people said that TV or internet are the main channel from which they know information. However, visits to the company's webpage are not a first source of information for Ecuadorian consumers. And, in fact, most of the CSR practices that companies have, in this case Coca-Cola, are mostly shown on their web page and only few on TV and social media. Therefore, it is not very surprising that people feel they do not have enough information regarding CSR. But, for sure, it is necessary to give consumers more information about it so they can be aware of a company's behavior and avoid misunderstandings about it.

2. Consideration to traditional criteria in order to make a purchase decision

Answers also showed people's criteria when purchasing any product or service, and when purchasing Coca-Cola's products. Ecuadorian consumers stated that they mostly consider traditional criteria like price, quality, brand, and accessibility when purchasing any product or service. Nonetheless, when purchasing Coca-Cola products, consumers consider taste, accessibility, intergenerational consumption, price, and quality. But they did not consider the other options like CSR, company campaigns and the product's nutritional properties. This means that Ecuadorian consumers still have a traditional perception about purchasing. Thus, their consumer behavior is still traditional as well.

3. Belief vs. behavior

According to the Ecuadorian consumer's answers, it is important that a company gets interested in social issues. Furthermore, they think that, as consumers, they trust the company to be executing activities in the most "responsible" way. In addition, other people also think that Coca-Cola, in its production process and in their formulas, is harming the environment and people's health. However, results also show that most people are not interested in CSR when making a purchase decision and some of them even consider that, as it does not affect the products themselves, then

there should not be any change in their buying behavior towards the brand and its products. Therefore, Ecuadorian consumers believe that CSR is important, and trust companies to be executing CSR programs in such a “responsible” way that they favor society, but they are not being consistent with this belief because of the lack of importance that they showed when been asked about the consideration of CSR when purchasing. Thus, there is a confrontation between what people believe and how people act.

4. Embeddedness of Coca-Cola consumption within Ecuadorian consumers

Question #5 and #10 of the survey asked consumers about their reasons for purchasing Coca-Cola products and the reasons to stop consuming those products. Therefore, those answers, paired with the answers of the “Why?” section in question #10, showed that people would not change brands because they are loyal enough to the company as they like their beverages taste and accessibility. In addition, consumers considered they have consumed its products almost all their lives, and that it is already a tradition in their families to always buy Coca-Cola. Therefore, it can be concluded that the consumption of Coca-Cola is embedded within Ecuadorian consumers.

To conclude, considering that the specific objective for this chapter was to determine the Ecuadorian consumer’s perception towards CSR and Coca-Cola’s products, surveys helped to determine that the Ecuadorian consumers do not consider CSR when purchasing a product, because they show a strong consideration of traditional criteria (price, quality, accessibility) in order to make this decision. In addition, consumers appear to have an idea of what CSR means and in which spheres it operates because they stated that CSR means contributing to the community and the environment for the harm that the company caused. On the other hand, they related CSR with valid options like: helping the community, taking care of the environment and providing good working conditions to employees. As for their perception over Coca-Cola products, some consumers demonstrated to be loyal to the company and most of them considered that they would not change brands even if they knew that Coca-Cola was not a socially responsible company, because they do not think CSR will change the product itself and, for them, taste and price are the main reason to

purchase Coca-Cola products. Therefore, CSR is seen as a company's issue, rather than a consumer issue. On the other hand, other consumers would change brands if they knew that the company was not socially responsible, because they would not be able to support an "irresponsible" company. Thus, they would rather prefer to support a company that is being "responsible."

However, results also determined that it is necessary that people have more information about CSR and the impact it has on the society, communities, the environment, and the internal operations of the company, in order to identify its importance. Furthermore, Ecuadorian consumers displayed a strong preference to traditional criteria in order to make a purchasing decision. This means, that CSR is not part of people's first thought when buying. Moreover, it was clear that people's beliefs and behavior are not being congruent as people considered that it is important for them, as consumers, to know they are supporting a "responsible" company. However, at the end of the day, they do not consider it as an important aspect when purchasing something. That is why it is being said that there is a confrontation between what Ecuadorian consumers believe and how they act when purchasing. Finally, Coca-Cola consumption is considered to be part of Ecuadorian consumers lives as they think it is already a tradition in their families to purchase Coca-Cola products.

VI. ANALYSIS

This dissertation's general objective was to analyze why the Ecuadorian consumers do not consider Coca-Cola's CSR practices for their purchase decision and their perspectives of CSR. In accordance with it, a survey was conducted within Ecuadorian consumers and, Coca-Cola and its products, were given as reference to analyze people's thoughts on CSR and the importance they give to CSR when purchasing Coca-Cola products. But first, it was necessary to understand CSR and the motives that companies have in order to integrate CSR practices into their management systems. For this purpose, in chapter I, Carroll's "Three Domain Model of CSR" (1991) theory is used, because it explains the main scope of CSR and how this ethical responsibility could be a way to sustain legitimization across companies in time.

Furthermore, after understanding CSR and its responsibility dimensions, it was also required to have an overview of the company that people had as reference in the surveys, The Coca-Cola Company, and the way in which it operates in Ecuador and worldwide. Arca Continental (Coca-Cola's second biggest bottling company in Latin America) is in charge of the production, packaging, distribution and marketing strategies of the 28 different beverages that Coca-Cola offers in the Ecuadorian market. In addition, *Fundación Coca-Cola de Ecuador* is the foundation that, together with The Coca-Cola company, executes CSR programs in Ecuador.

Therefore, chapter II, reviews how companies, like Coca-Cola, uses its communication platforms in order to let its consumers know about their CSR projects. For this purpose, it was fundamental to analyze the Cause-Related Marketing (CRM) trends theory and its relationship with neuromarketing. CRM is the way in which companies communicate through advertising, promotions, webpages and packaging their corporate social responsibility in order to increase customer loyalty and to build company's reputation. The use of both, CRM theory and the basics of neuromarketing, not only helped to learn how companies attract their clients through CSR and CRM strategies, but they are also useful to find out how people react and connect to a company as a result of those strategies.

CRM does not only involve a company affiliating to social causes, but also to show affinity with a particular sport, entertainment event, nonprofit organization or social cause that can be part of its consumers interests. For example, to get to a target that likes sports, Coca-Cola has sponsored events like FIFA Worlds Cup, National Football Championships, Olympic Games and Athletes competitions. Therefore, their strategy is getting to a specific customer group and showing an interest and support for their interests too.

In order to have an effective CRM campaign, Panepinto (2016) suggests that it should have the following five elements: to contain a simple and inspiring messaging (communicate through a simple message the purpose of the project), to have a strong visual storytelling (an image or short video), to have a physical element or exhibit (include elements that people can experience in real world), to have a strong emphasis on social sharing and earned media (attract people's attention with content that they will want to share in social media), and to have a focus on a big issue coupled with a request for a small personal action (first call to people's attention to a big issue and then, asking for a small action as a sign of commitment and support).

Regarding these elements, I analyzed some of Coca-Cola's biggest campaigns to see if they contained all the elements for an effective CRM campaign. For example: Coca-Cola's Artic Home project had the simple and inspiring messaging of "Help protect and donate"; a strong visual storytelling by including short videos with basic statistics about climate change and how polar bears are in danger; a physical element by enabling people to purchase white cans with polar bears to create awareness; a strong emphasis on social sharing because people shared pictures on social media of their new limited edition white cans; and a focus on a big issue coupled with a request for a small personal action by first mentioning facts about climate change affecting polar bears and their habitat in their communication platforms, and then asking people to text a code that was included in the cans that generated a \$1 donation to WWF's protection projects, as a way of asking for a small action.

Additionally, is it important to note that Coca-Cola's campaigns not only highlight a product's taste and quality, but also relate its brand and products with new experiences, feelings, and emotions. However, in order to know which strategy to

implement, companies should first analyze which are the emotions that drive consumers to buy. Therefore, it was important to pair up CRM theory with the basics of neuromarketing in chapter II, because, as Carmen Nobel (2012) (senior editor of Harvard Business School Working Knowledge) stated, “neuromarketing” is the field that helps companies to understand the psychological part of consumption because it uses neuroscience to determine why we prefer some products over others and what motivates us, as customers, to buy certain products. In addition, the relation between CSR, CRM and neuromarketing was useful to understand and analyze the Ecuadorian consumer’s answers regarding their perceptions of CSR and their motivations to purchase Coca-Cola. Thus, it helps understanding the Ecuadorian behavior towards CSR and Coca-Cola’s products.

Likewise, as analyzed above, CRM and CSR are strategies that reach the psychological purchasing part of consumers’ minds, because people are said to buy driven by emotions and feelings. So, CRM generates an emotional connection between the brand and social causes or customer’s affinities; and CSR creates customer awareness on the companies’ efforts to “give back” and “contribute with worldwide concerns.” Therefore, as Magids, Zorfas, and Leemon (2015) states, CRM and CSR strategies work because they can get along with people’s emotional motivators; and a customer is emotionally connected with a brand when it aligns with their motivations and helps them fulfill deep, often unconscious, desires. These emotional motivators include desires to: stand out from the crowd, have confidence in the future, feel a sense of freedom, enjoy a sense of well-being, feel a sense of belonging, protect the environment, feel secure, and succeed in life.

On this matter, as mentioned above as an example in Chapter II, Coca-Cola’s “Share a Coke” campaign makes people have a feeling of gratitude and the desire of sharing with others. Thus, the emotional motivators that drive coke’s consumption might be to “stand out from the crowd” because of the customization with names in the bottles; “have confidence in the future” because of the collective emotions rather than the individual ones; “feel a sense of freedom” because people can add their names to a tag by going to an online platform, so they are free to add as many names and phrases as they want; and “feel a sense of belonging” because if someone shared a

coke with them, they felt part of the group of people that own a coke with their name, thus creating genuine connections with the others.

Moreover, when a company operates in many countries, it is necessary that its CRM campaigns align with every culture, legal environment and interests. This is called regional differentiation, and it means customizing all the information of a company by regions, so it will be specific to every market's needs, preferences and interests. Like "Journey" for Coca-Cola, as it is a regionally customized platform. Thus, in Ecuador, for example, the "Share a Coke" campaign was one of the most successful campaigns because, paired with a regional customization that included having bottles with frequent Ecuadorian names, it generated a "regional feeling" and a "sense of belonging." Furthermore, the Ecuadorian consumer might be also considering these emotional motivators when purchasing Coca-Cola products.

Hence, chapter I and chapter II give an overview of the contents to be analyzed in chapter III. So, Chapter III contains the Ecuadorian market analysis based on the conduction of surveys to 385 Ecuadorian consumers. In this chapter Lois A. Mohr, Deborah J. Webb, and Katherine E. Harris's Methodology to analyze and interpret data (2001) was used, which contains three steps. First, conducting a survey to collect data and identify variables; second, examining each case to determine why participants do or do not take CSR in consideration when purchasing, as well as their perceptions and criteria in order to make a purchase decision. Finally, evaluating all the surveys to identify common themes that will result in final conclusions. The goal of this last step is to produce an interpretation of interpretations that will result in the identification of the aspects that add the most insight about the relationship between the respondents and CSR.

Questions in the survey were created in a way in which participants could not instantly infer that the survey was about CSR. This, because in some cases the awareness of the topic prevents people about the response that they should give in order to be perceived as ethical and socially responsible. In addition, for the second step of the analysis, Andreasen's "Four stages of behavior change model" (1995) was used, as it helped determine which kind of consumer each participant was: precontemplators, contemplator, action-oriented, or maintainer. According to this

theory: precontemplators do not feel the need of considering CSR when purchasing, as they only think they should consider an economic criteria; contemplators sometimes consider CSR, but it's not an important aspect when purchasing something; action-oriented consumers do consider CSR as an important aspect when buying while trying to avoid buying products/services from companies they consider irresponsible; and maintainers, always consider CSR when purchasing something and would totally change brands/stores to a more responsible one because they think customers have an impact on a company's CSR. Hence, the survey results evidenced that the Ecuadorian consumer is mostly precontemplator and contemplator.

Additionally, as part of this analysis, the results of this study are compared and contrasted with the results of the already mentioned perception of CSR investigation held by the Ecuadorian-American Chamber of Commerce, in order to determine how people's answers have changed from 2012 until 2017. Table No. 6 displays this comparison:

TABLE No. 6
Ecuadorian consumer's perception in 2012 vs. in 2017

Ecuadorian-American Chamber of Commerce 2012 perception of CSR investigation	2017 Ecuadorian consumers perception of CSR research done by Sharon Cañas for this dissertation
75% have a partial idea of what CSR means	82% have a general idea of what CSR means
98% think that, as consumers it is very important when a company is socially responsible	48% think that, as consumers it is very important when a company is socially responsible, but 54% does not think it is important
24% relate CSR with comply with laws 12% relate CSR with taking care of the environment 60% relate CSR with respect to workers 34% relate CSR with community support	13.6% relate CSR with following national laws 25.4% relate CSR with taking care of the environment 16.5% relate CSR with giving employees good working conditions 27.5% relate CSR with helping/supporting the community
People understand the importance of CSR	People understand the importance of CSR
85% think a socially responsible company is better	87.3% think a socially responsible company is better
Consider traditional criteria like: quality, price, brand and country of origin. But this depends on the product/service they acquire.	Consider traditional criteria like: price, quality, brand and accessibility. But, in fact, this depends on the product, because when buying Coca-Cola products, they consider: taste, accessibility, intergenerational consumption (tradition), price and quality.

People do not consider CSR in the first place when purchasing.	People do not consider CSR in the first place when purchasing. It is always considered in 6 th and 7 th place.
People show an increased tendency to be more concerned with social and environmental issues.	In fact, people show to be more concerned with social and environmental issues.
TV is the best communication tool.	TV and social media are the most important communication tools.

Source: 2012 perception of CSR investigation by the Ecuadorian-American Chamber of Commerce and 2017 perception of CSR research by Sharon Cañas.

Produced by: Sharon Cañas

As seen in the graphic, people's perception of CSR has changed along the years. In 2017 people still consider CSR as an important aspect in order to judge a company, but as well as in 2012, people still do not consider it when making a purchasing decision. In addition, in 2017 people relate CSR with environmental protection more than what they used to in 2012. Therefore, in 2017 people show to be more concerned about social and environmental issues. Finally, in 2017, TV continues to be the most important communication tool, but the difference with 2012 is that nowadays in 2017, social media plays an important role in the Ecuadorian society. Therefore, even if people show to be more interested in the topic, they still do not consider CSR as an important aspect in order to purchase products from a certain company because they rather consider price, quality, and accessibility.

Thus, this dissertation's general objective to analyze why the Ecuadorian consumers do not consider Coca-Cola's CSR practices for their purchase decision and their perspectives of CSR was met. As the contents of this analysis show, the Ecuadorian consumers' consideration of Coca-Cola's CSR practices appear to be almost nonexistent as other traditional criteria like: taste, accessibility, intergenerational consumption (tradition), price and quality are more important. Moreover, most of the Ecuadorian consumers perceive CSR as an important aspect for companies, and even 87.3% said that, as consumers, a socially responsible company is better. Therefore, as the last step of the methodology shows, it is necessary that people get to know more about CSR, because they already know its importance, but still do not consider it when making a purchase decision or when judging a company's operations. But it is also considered that companies do have information in their platforms, especially in their corporate websites, but people have shown that they do not visit a company's website to know more about it. That might be why they appear

to need more information and why consumers do not consider Coca-Cola's CSR practices for their purchase decision. Finally, it is considered that people's perception for CSR is mostly positive, but as it is not taken into account in their criteria, there is not congruence in what they think and what they do. So, it is needed to have a balance in what consumers believe and how consumers act. However, the consumption of Coca-Cola appears to be so embedded within the Ecuadorian consumers, that they will not consider changing the brand.

VII. CONCLUSIONS

As for the first concluding aspect, it has to be said that this dissertation's hypothesis that is "The Ecuadorian consumers do not consider Coca-Cola's CSR as a criterion for their purchase decision because they consider other factors like taste or intergenerational consumption, rather than recognition of the company's CSR practices" has been proven to be true. The concluding remarks that support this result are as follows:

- Since CSR flourished in the late 1800s, it has been demonstrated that CSR has had an important role in companies' strategies, not only because its implementation brings benefits to its internal operations, but also because consumers value a company's effort to contribute with social and environmental issues, as these are considered a way of demonstrating a business contributions to the community and the environment.
- In Ecuador CSR has gained increased attention among businesses. That's why national law includes the norms that an Ecuadorian company engaging to CSR should follow. However, these norms, that are based on international norms and principles, are only a guide for companies, as engaging in CSR is voluntary.
- How companies communicate its CSR is crucial in order for consumers to be totally aware of what they do and for companies to maintain its reputation. In this case, Coca-Cola uses every communication channel to get to people. But, this research also showed that the Ecuadorian consumer see more information of the company in social media and television. However, most of the company's CSR projects are displayed through their corporate webpage, but only 5% of consumers said they visit their company's website. Thus, consumers appear to need more information about CSR and about Coca-Cola's CSR practices.

- On the other hand, according to the survey results, Ecuadorian consumers do not demand a company to be socially responsible, because they do not consider CSR when purchasing. In fact, CSR was the 7th option to consider when buying Coca-Cola products. However, some consumers also stated that a company that is socially responsible is better than others and they would also prefer to support a responsible, rather than an irresponsible one. Thus, Ecuadorian consumers are starting to purchase and consume products in a more conscious way.
- Coca-Cola appears to be a strong brand within the Ecuadorian market. Indeed, 78% of the participants consume its products and 54% of them are so loyal to the brand that they would not change it even if they knew Coca-Cola was not a responsible company.
- Despite being a well-known brand, Coca-Cola's CSR practices have no effect on the Ecuadorian consumers' purchasing or perceptions, because they showed to still consider traditional criteria like price, quality, and accessibility, when purchasing something. However, chapter II helped to figure out that Ecuadorian consumers must be driven by emotional motivators in order to purchase Coca-Cola products, rather than considering the company's social responsibility. This is because consumers stated that they consume Coca-Cola mainly because they like the taste, how accessible it is, and because they feel the brand and its products are already embedded in their lives. Hence, part of the Ecuadorian consumers behavior must be driven by the desire to satisfy emotional motivators like sense of belonging, sense of freedom, and being part of the crowd. Motivators that the "Share a Coke" campaign generated.
- In the survey results, 10% of consumers expressed that they consider CSR to be a company's issue and not a consumer's issue. Thus, they suppose that as consumers they do not have the power to demand CSR practices to a company. However, a company's motivation to engage in CSR is actually in part driven by consumers demands, needs and expectations; because in this way they can create consumer loyalty and trust. Therefore, consumers can

demand companies to be more responsible and have the power to change a company's strategy. Thus, consumers should be correctly informed about their role in a company's CSR.

- It is essential for any business to make its research about the market in which it wants to operate. The regional differentiation that an international company like Coca-Cola has, is one of the keys for its global success. In Ecuador, for example, several Coca-Cola products have been launched and taken out of the market due to consumer's changing preferences and tastes; and now the Ecuadorian portfolio includes 28 beverages that effectively adapted to this market. In addition, this regional differentiation has generated an important connection between the Ecuadorian consumers and the brand.
- Therefore, more than connecting with Coca-Cola's CSR, the Ecuadorian consumers are connecting with Coca-Cola's CRM and the emotional motivations that it generates. For example, Ecuadorians love and cherish the sense of family and friends, so Coca-Cola, with its "Share a Coke" campaign that included the creation of customized bottles, motivated consumers to share "happiness" with others. Thus, it is said that Ecuadorian consumers might be unconsciously considering emotional motivators and feelings when purchasing Coca-Cola's products.

Hence, this dissertation's final conclusion is that the Ecuadorian consumers do not consider Coca-Cola's CSR as a criterion for their purchase decision because they consider other factors like taste, accessibility or intergenerational consumption, rather than recognition to the company's CSR practices. In addition, it is considered that they are also unconsciously driven by emotions and feelings when buying Coca-Cola, so they do not care much about CSR. However, another the reason why people do not consider CSR when purchasing might be because they are not sure about the impact that CSR has, and that them, as consumers, can have in a company's decision making.

VIII. RECOMMENDATIONS

The recommendations are:

- To complement this research with an experimental research on this topic. Because, surveys give people time to think about the way in which they would act and the way in which they should respond. On the other hand, an experimental research allows people the freedom to really act as they would in real life.
- Hold a research that analyzes the answers according to genders and socio-economic status. Thus, in order to get results of the effects that Coca-Cola's CSR practices have depending on people's gender and societal roles.
- To make a research having as reference to other brands, as answers tend to depend on the products and brands that people purchase.
- Involve consumers and businessmen in the company's CSR projects so they can experience and understand more about the implications of CSR within the company and also in the society and the environment.
- Educate people more about CSR since early educational stages and even more in high schools and universities as they are old enough to start making conscious decisions about their purchasing. They should know the power that, as consumers, they can have regarding a company's strategies.
- To suggest companies pay special attention to advertising in TV and social media in Ecuador. This, because surveys answers showed that those are the most effective communication channels that can get to a wide number of Ecuadorians. However, visits to their corporate web pages should be encouraged.
- Companies should implement CRM strategies together with CSR ones as part of their marketing strategies, because it has been noticed that the combination of strategies works better than only addressing CSR in a very theoretical way. In addition,

Ecuadorian consumers showed they unconsciously consume driven by tradition and emotional motivators. Therefore, a company operating in Ecuador might want to encourage these emotional motivators, creating a real connection with the brand.

- Companies should always make their research about what each market wants, needs and expects; and adapt its products and campaigns with the new market. This results in a connection with the brand and customer loyalty.

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X. APPENDIXES

APPENDIX No. 1 2016 SUSTAINABILITY HIGHLIGHTS

2016 SUSTAINABILITY HIGHLIGHTS

AGRICULTURE



100%

of our coffee and tea and over 50% of our lemons and beet sugar from more sustainable sources than in previous years.

HUMAN AND WORKPLACE RIGHTS



89%

of bottling partners and 90% of direct suppliers achieved compliance with our Supplier Guiding Principles.

PACKAGING AND RECYCLING



60%

of bottles and cans equivalent to what we introduced into the marketplace were refilled or recovered and recycled with our support.

CLIMATE PROTECTION



14%

estimated reduction of the CO₂ embedded in the "drink in your hand".*

GIVING BACK



\$106M+

donated across more than 200 countries and territories.

WATER STEWARDSHIP



221B

liters of water replenished through community and watershed projects across the globe.**

WOMEN'S ECONOMIC EMPOWERMENT



1.7M

women enabled through our 5by20 initiative.

Source: Coca Cola's 2016 Sustainability Report (p.6)

APPENDIX No. 2: “OUR WAY FORWARD”



Source: Coca Cola's 2016 Sustainability Report (p.7)

APPENDIX No. 3 “SUSTAINABLE AGRICULTURAL GUIDING PRINCIPLES (JUNE 2013)”

Human and Workplace Rights

1. Freedom of Association and Collective Bargaining	Respect employees' right to join, form or not to join a labor union without fear of reprisal, intimidation, or harassment. Where employees are represented by a legally recognized union, establish a constructive dialogue with their freely chosen representatives and bargain in good faith with such representatives.
2. Prohibit Child Labor, Forced Labor and Abuse of Labor	Adhere to minimum age provisions of applicable laws and regulations. Prohibit the use of all forms of forced labor, including prison labor, indentured labor, bonded labor, military labor or slave labor.
3. Eliminate Discrimination	Maintain workplaces that are free from discrimination or physical or verbal harassment. The basis for recruitment, placement, training, compensation, and advancement should be qualifications, performance, skills and experience.
4. Work Hours and Wages	Compensate employees' relative to the industry and local labor market. Operate in full compliance with applicable wage, work hours, overtime and benefits laws and offer employees opportunities to develop their skills and capabilities, and provide advancement opportunities where possible.

5. Provide a Safe and Healthy Workplace	Provide a secure, safe and healthy workplace. Maintain a productive workplace by minimizing the risk of accidents, injury and exposure to health risks.
1. Community and Traditional Rights	Recognize and safeguard the rights of communities and traditional peoples to maintain access to land and natural resources. Maintain positive community relations and contribute to local economic development.

Source: Sustainable Agricultural Guiding Principles, 2013. The Coca-Cola Company website
Produced by: Cañas, S.

Environment

1. Water Management	Ensure long-term sustainability of water resources in balance with community and ecosystem needs by maximizing water use efficiency and minimizing water quality impacts from wastewater discharges and erosion and nutrient/agrochemical runoff.
2. Energy Management and Climate Protection	Maximize energy use efficiency, seek to maximize the use of renewable energy as available and cost effective, and reduce greenhouse gas emissions from agricultural practices.
3. Conservation of Natural Habitats and Ecosystems	Promote and protect natural habitats and biodiversity through the conservation of natural flora and fauna and the maintenance of important ecosystem services such as natural pest and disease controls, pollination, and freshwater flows. Promote sustainable forest management and help protect woodlands from deforestation and illegal harvesting.
4. Soil Management	Maintain or improve soils by preventing degradation, reducing runoff, minimizing related greenhouse gas emissions, and protecting soil biodiversity.
5. Crop Protection	Follow national and/or local regulations and label requirements for safe and proper use of all agrochemicals. Use Integrated Pest Management techniques to protect crops from pests, weeds, and disease whenever possible.

Source: Sustainable Agricultural Guiding Principles, 2013. The Coca-Cola Company website
Produced by: Sharon Cañas

Farm Management Systems

1. Harvest and Postharvest Handling	Manage harvest and postharvest processes effectively to minimize losses. Ensure the quality and safety of agricultural products by following Good Agricultural Practices.
2. Reproductive Material Identity, Selection and Handling	Ensure crop selection is suited to local growing conditions (climate, water availability, pest pressure, etc.) to help ensure sustainable harvests over time. Know the crop species under cultivation and variety, if applicable, and communicate it to The Coca-Cola Company.
3. Eliminate Dis Management Systems, Record Keeping and Transparency	Develop a system to manage objectives, procedures, workplace practices. Maintain records of workplace practices and procedures, as well as proof of compliance with applicable laws and regulations. Increase transparency throughout the supply chain and work collaboratively to adopt and broaden sustainable practices. Set targets for improvement, provide support to deliver, and track performance over time.

4. Business Integrity	Conduct business with integrity, respecting relevant laws and prohibiting bribes and fraudulent practices.
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Source: Sustainable Agricultural Guiding Principles, 2013. The Coca-Cola Company website
Produced by: Sharon Cañas

APPENDIX No. 4

“GRANTS FOCUSED ON WATER, WOMEN AND COMMUNITY WELL-BEING”



WATER & ENVIRONMENT

The Foundation supported water and environment programs such as The Coca-Cola Africa Foundation's [Replenish Africa Initiative \(RAIN\)](#), which has given safe drinking water to more than 2.5 million Africans.



WOMEN

The Foundation enabled women's economic empowerment, including in Myanmar with “[Swan Yi](#),” helping women learn about land rights, domestic violence laws, and basic financial literacy.



COMMUNITY WELL-BEING

The Foundation supported communities through education, youth development, HIV/AIDS and humanitarian/disaster relief initiatives like [Project Last Mile](#), which helped increase medicine availability.

Source: Coca Cola's 2016 Sustainability Report (p.10)

APPENDIX No. 5

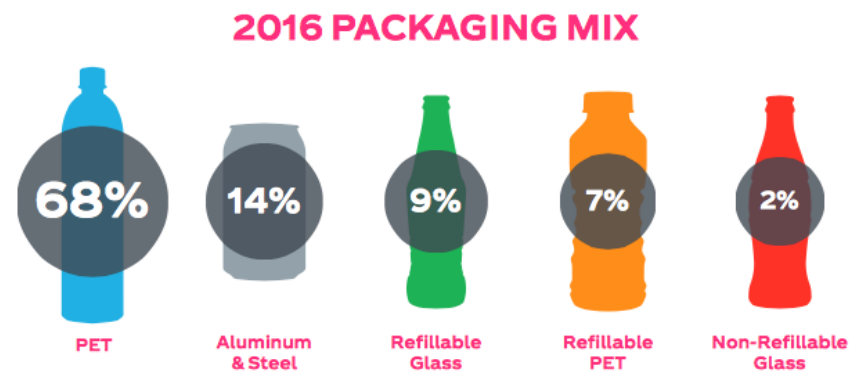
“COCA-COLA CHARITABLE CONTRIBUTIONS”

COCA-COLA CHARITABLE CONTRIBUTIONS*

Category	2014	2015	2016
Water	21%	21%	23%
Women	4%	4%	6%
Community Well-Being	67%	65%	58%
Humanitarian/Disaster Relief	2%	3%	3%
In-Kind	6%	7%	10%
Total	100%	100%	100%

Source: Coca Cola's 2016 Sustainability Report (p.10)

APPENDIX No. 6 “2016 PACKAGING MIX”



Our bottles and cans made of PET plastic, glass and aluminum packaging are 100% recyclable.

Source: Coca Cola’s 2016 Sustainability Report (p.12)

APPENDIX No. 7 “WATER STEWARDSHIP”

The types of projects that contributed to our replenish liters per year volume total are in 1 of 3 areas:

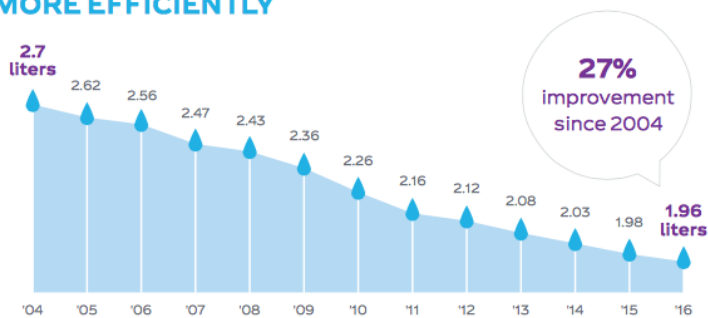
12B L/Year (6%)
Improve safe access to water and sanitation (includes installing wells, water storage facilities, purification and septic systems).

175B L/Year (79%)
Protect watersheds (includes conserving or restoring water quantity or quality).

34B L/Year (15%)
Provide water for productive use (includes efficiency projects such as rainwater harvesting or water reuse for irrigation).

USING WATER MORE EFFICIENTLY

In 2004, we were using 2.7 liters of water to make 1 liter of product. At the end of 2016, we were using 1.96 liters of water to make 1 liter of product. And we’re working to potentially reduce it to 1.7 liters of water by 2020.



Source: Coca Cola’s 2016 Sustainability Report (p.13)

APPENDIX No. 8

English version format

Ecuadorian consumer's perception survey

Welcome!

Dear participant,

The following survey has the purpose to gather customer's information as part of my Bachelor Thesis to graduate from University. The survey will help me analyze the Ecuadorian market and know your preferences when purchasing. Please answer the following 10 questions as honestly as possible.


Thanks for your help! *Let's start!*

OK

0 of 10 answered

Ecuadorian consumer's perception survey

General information

* 1. How old are you? 

☐ 18-25


☐ 26-35

☐ 36-45

☐ 45+

0 of 10 answered

Consumer's criteria when purchasing

* 2. Which of the following criteria do you consider when purchasing any product or service?
Please put your preferences in order 1-7 (1= first to consider, 7= last to consider) 

⋮	<input type="text"/>	Brand
⋮	<input type="text"/>	Price
⋮	<input type="text"/>	Quality
⋮	<input type="text"/>	Accessibility (it's easy to find)
⋮	<input type="text"/>	Company's social responsibility
⋮	<input type="text"/>	Company's publicity campaigns
⋮	<input type="text"/>	Product's nutritional properties

1 of 10 answered 

Ecuadorian consumer's perception survey

* 3. Do you drink Coca-Cola's beverages? (If your answer is "no", please go to Question 6) 

- ☐ Yes
☐ No

2 of 10 answered 

Ecuadorian consumer's perception survey

Consumer opinion

4. If yes, how long have you been buying / drinking Coca-Cola's beverages? (Please choose only one option) 

- | | |
|--|---|
| <input type="radio"/> For less than a year | <input type="radio"/> 5-10 years |
| <input type="radio"/> 1-2 years | <input type="radio"/> I have consumed Coca-Cola my whole life |
| <input type="radio"/> 3-5 years | |

3 of 10 answered 

Ecuadorian consumer's perception survey

5. Why do you buy/drink Coca-Cola's beverages? *(You can choose more than one option)*

☐ Taste
 ☐ Product's nutritional properties

☐ Price
 ☐ Intergenerational consumption (my parents did it, so I do too)

☐ Quality
 ☐ Company's social responsibility practices

☐ Accessibility (it's easy to find)
 ☐ Company's publicity campaigns

☐ Other (please specify)

4 of 10 answered

Ecuadorian consumer's perception survey

Consumer perception

* 6. Have you heard about the term "Corporate Social Responsibility"? *(Please choose only one option)*

☐ Never
 ☐ Sometimes
 ☐ All the time

5 of 10 answered

Ecuadorian consumer's perception survey

Consumer perception

* 7. In your opinion, which of the following concepts/ideas relate to the term "Corporate Social Responsibility"? *(You can choose more than one option)*

☐ To have a better image
 ☐ To take care of the environment

☐ To help the community
 ☐ To give employees good working conditions


☐ To follow national laws
 ☐ To be in charge of society's problems

☐ Other (please specify)

6 of 10 answered

Ecuadorian consumer's perception survey


Consumer behavior

* 8. Do you honestly consider "Corporate Social Responsibility" (CSR) when purchasing any product/service? Choose the option that would best describe your answer. *(Please choose only one option)* 

- ☐ I don't feel the need of considering CSR, for me price/quality are more important.
- ☐ I sometimes consider CSR, but it's not an important aspect when I purchase something.
- ☐ I do consider CSR as an important aspect when buying, I try to avoid buying products/services from companies I consider irresponsible.
- ☐ I always consider CSR when purchasing something and would totally change brands/stores to a more responsible one. I think costumers have an impact on company's CSR

7 of 10 answered

Consumer awareness

* 9. If you have seen information about Coca-Cola's projects/activities, through which of the following communication channels have you seen that information? (You can choose as many options as you like) 

- ☐ Television
- ☐ Newspaper
- ☐ Friend's/ people's comments
- ☐ Radio
- ☐ Internet posts
- ☐ Facebook, Twitter, Instagram
- ☐ The company's web page

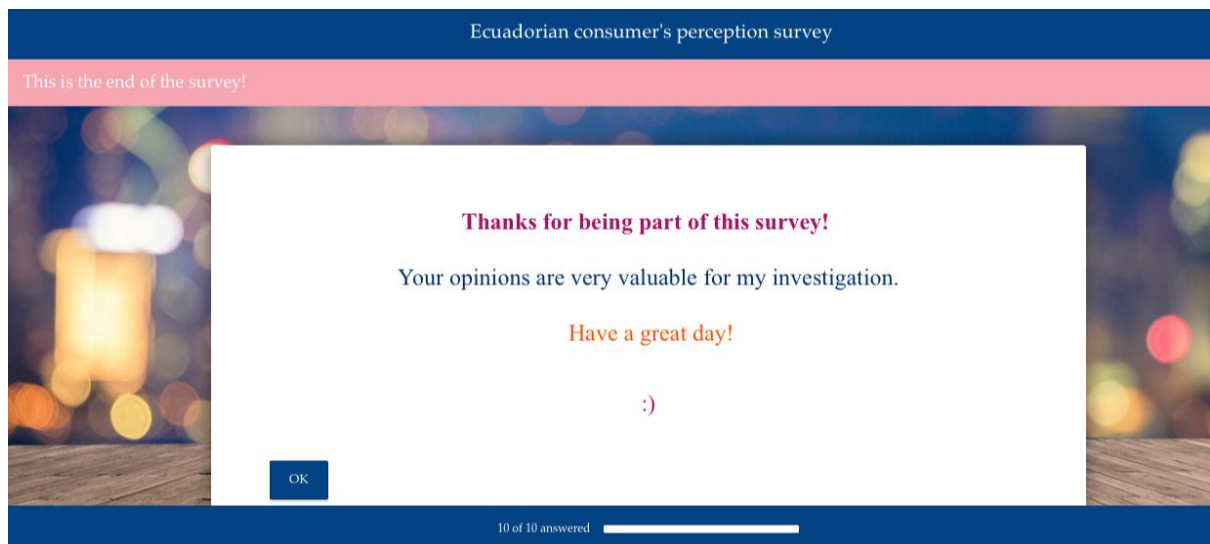
8 of 10 answered

Ecuadorian consumer's perception survey

* 10. Would you change brands if you knew that "Cola-Cola" was not a socially responsible company? Why? *(Please explain your answer)* 

- ☐ Yes
- ☐ No
- ☐ Why? (please specify)

9 of 10 answered



Spanish version format



Encuesta de percepción del consumidor ecuatoriano

*Obligatorio

Información General

1. ¿Qué edad tiene? *

- ☐ 18-25
- ☐ 26-35
- ☐ 36-45
- ☐ 45+

ATRÁS

SIGUIENTE

Criterio de compra del consumidor

2. ¿Cuál de los siguientes criterios considera Ud. cuando compra un producto o servicio? Por favor ordene sus preferencias del 1 al 7 (1= primera en considerar, 2= segunda en considerar ...7= última en considerar) *

	1	2	3	4	5	6	7
Marca (imagen, reputación, lealtad)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Precio	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Calidad	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accesibilidad (es fácil de encontrar)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
La responsabilidad social de la compañía	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Las campañas publicitarias de la compañía	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Las propiedades nutricionales del producto	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

ATRÁS

SIGUIENTE

Encuesta de percepción del consumidor ecuatoriano

*Obligatorio

Criterio de compra del consumidor

3. ¿Consume Ud. bebidas de Coca-Cola? *

- ☐ Sí
- ☐ No

ATRÁS

SIGUIENTE

Nunca envíes contraseñas a través de Formularios de Google.

Encuesta de percepción del consumidor ecuatoriano

Percepción del consumidor

4. Si respondió "Sí", ¿Hace cuánto tiempo que compra/consume las bebidas de Coca-Cola? (Esto incluye sodas, aguas, jugos, etc.) (Por favor escoja solo una opción)

- ☐ Menos de un año
- ☐ 1-2 años
- ☐ 3-5 años
- ☐ 5 -10 años
- ☐ He consumido bebidas de la marca Coca-Cola toda mi vida

ATRÁS

SIGUIENTE

Encuesta de percepción del consumidor ecuatoriano

Percepción del consumidor

5. ¿Por qué compra/consume las bebidas de Coca-Cola? (Puede escoger más de una opción)

- ☐ Sabor
- ☐ Precio
- ☐ Calidad
- ☐ Accesibilidad (es fácil de encontrar)
- ☐ Consumo intergeneracional (mis padres tomaban, así que yo también)
- ☐ Las prácticas de responsabilidad social de la compañía
- ☐ Las campañas publicitarias de la compañía
- ☐ Las propiedades nutricionales del producto
- ☐ Otros: _____

ATRÁS

SIGUIENTE

Encuesta de percepción del consumidor ecuatoriano

*Obligatorio

Percepción del consumidor

6. ¿Ha escuchado sobre el término "Responsabilidad Social Empresarial"? (Por favor escoja solo una opción) *

- ☐ Nunca
- ☐ A veces
- ☐ Todo el tiempo

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SIGUIENTE

Encuesta de percepción del consumidor ecuatoriano

*Obligatorio

Percepción del consumidor

7. En su opinión, cuál de las siguientes ideas/conceptos se relacionan con el término "Responsabilidad Social Empresarial"? (Puede escoger más de una opción) *

- ☐ Tener una mejor imagen
- ☐ Ayudar a la comunidad
- ☐ Cumplir con la ley nacional
- ☐ Cuidar del medio ambiente
- ☐ Brindar a los empleados buenas condiciones laborales
- ☐ Estar a cargo de los problemas de la sociedad
- ☐ Otros:

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Encuesta de percepción del consumidor ecuatoriano

*Obligatorio

Comportamiento del consumidor

8. Honestamente, ¿Considera Ud. la "Responsabilidad Social Empresarial" (RSE) de una compañía cuando compra algún producto/servicio? Escoja la opción que mejor describe su respuesta. (Por favor escoja solo una opción) *

- ☐ No siento la necesidad de considerar la RSE, para mí precio/calidad son más importantes.
- ☐ A veces considero la RSE, pero no es un aspecto importante cuando compro algo.
- ☐ Si considero la RSE como un aspecto importante cuando compro, trato de evitar comprar productos/servicios de compañías que considero irresponsables.
- ☐ Siempre considero la RSE cuando compro algo y absolutamente cambiaría de marca/tienda a una más responsable. Considero que los consumidores tenemos un impacto en la RSE de la compañía.

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SIGUIENTE

Encuesta de percepción del consumidor ecuatoriano

*Obligatorio

Sensibilización del consumidor

9. Si usted ha visto información sobre los proyectos/actividades de Coca-Cola, ¿a través de qué medios de comunicación ha visto esa información? (Puede escoger tantas opciones como desee) *

- ☐ Televisión
- ☐ Periódico
- ☐ Comentarios de personas/amigos
- ☐ Radio
- ☐ Publicaciones en internet
- ☐ Facebook, Twitter, Instagram
- ☐ Página web de la compañía

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SIGUIENTE

Encuesta de percepción del consumidor ecuatoriano

*Obligatorio

Sensibilización del consumidor

10. ¿Cambiaría de marca si supiera que "Coca-Cola" no es una compañía socialmente responsable? ¿Por qué? *

- ☐ Sí
- ☐ No

¿Por qué?

Tu respuesta

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SIGUIENTE

Fin de la encuesta

¡Gracias por haber sido parte de esta encuesta!

Sus opiniones son muy valiosas para mi investigación.

¡Tenga un lindo día!



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ENVIAR

APPENDIX No. 9

Glossary of Terms

- **AA1000:** The purpose of this standard is to provide companies with a set of principles regarding social and ethical accountability. The AA1000 guarantees the quality of a company's accountability, evaluation and disclosure information about social, environmental and financial aspects.
- **Activism:** The policy or action of using vigorous campaigning to bring about political or social change (Oxford Dictionary, 2017).
- **Committee for Economic Development (CED):** is a nonprofit, business-led public policy organization that delivers well-researched analysis and reasoned solutions to the United States most critical issues.
- **Consortio Ecuatoriano para la Responsabilidad Social (CERES):** CERES offers assessment and training in CSR for companies. It helps its members incorporate into their management systems the appropriate CSR practices according to their needs and objectives.
- **Corporate Social Performance (CSP):** is a three-dimensional integration of responsibility, responsiveness, and social issues.
- **Emotional motivators:** emotional motivators are desires to stand out from the crowd, have confidence in the future, feel a sense of freedom, enjoy a sense of well-being, feel a sense of belonging, protect the environment, feel secure, and succeed in life, to mention some examples. These desires can drive our consumption behavior.
- **Entrepreneurs:** A person who sets up a business or businesses, taking on financial risks in the hope of profit (Oxford Dictionary).
- **Food and Agriculture Organization (FAO):** FAO is specialized agency of the United Nations that leads international efforts to defeat hunger (FAO, n.d.).
- **For-profit company:** are companies that operate to make a profit.

- **Global Compact / Pacto Global:** is a voluntary initiative based on CEO commitments to implement universal sustainability principles and call to companies to align strategies and operations with universal principles on human rights, labor, environment and anti-corruption, and take actions that advance societal goals (Global compact, 2017).
- **Global Reporting Initiative (GRI):** GRI standards guide companies on how to communicate its sustainability reports (GRI, 2016). This means, how to communicate its economic, environmental and social impacts on their sustainability reports. GRI101 is the first standard that a company adopts to begin with the set application (GRI, 2016).
- **Globalization:** The process by which businesses or other organizations develop international influence or start operating on an international scale (Oxford Dictionary, 2017).
- **Institute for Human Rights and Business (IHRB):** is a global center that shapes policy, advances practice and strengthens accountability in order to make respect for human rights part of everyday business.
- **Instituto de Responsabilidad Social Empresarial (IRSE):** IRSE is a private non-profit organization that guides companies to effectively apply CSR norms and principles.
- **International Organization for Standardization (ISO):** is a worldwide federation of national standards bodies.
- **ISO 26000:** ISO offers the Guidance Standard on Social Responsibility, which contains a specific standard for CSR, the ISO 26000:2010. It helps clarify and translate CSR principles so they can be transformed into effective actions and practices of CSR globally. This standard does not provide a basis for legal actions that can go against or over domestic and national standards. The ISO 26000 was created to be implemented in companies of all types regardless of their activity, size or location.

- **Ley de Gestión Ambiental:** is an Ecuadorian law for the environment that regulates a company's activities which can have an impact on the environment. This law contains the limits and permissions for activities to favor the environment.
- **Ley de la Economía Popular y Solidaria:** is a law for the financial sector that includes topics like social and economic inclusion for Ecuadorian entrepreneurs.
- **Ley de Protección al consumidor:** is an Ecuadorian law that regulates every aspect about consumers. It does not only regulate companies' actions towards consumers, but also protects consumers over any issue.
- **Ley Orgánica de Empresas Públicas:** is an Ecuadorian law that regulates public companies' activities, rights, responsibilities and operation.
- **Logo:** A symbol or other small design adopted by an organization to identify its product (Oxford Dictionary, 2017).
- **Market Analysis:** The activity of gathering information about conditions that affect a marketplace (Oxford Dictionary, 2017).
- **Neuromarketing:** is the field that helps companies to understand the psychological part of consumption by using neuroscience to determine why we prefer some products over others and what motivates us, as customers, to buy certain products.
- **Non-governmental Organization (NGO):** A non-profit organization that operates independently of any government, typically one whose purpose is to address a social or political issue (Oxford Dictionary, 2017).
- **Nonprofit company:** are companies do not operate primarily to make a profit.
- **Ordenanza Municipal 084:** is Quito's law regarding social responsibility management. It promotes a productive development for the city. Quito is the capital city of Ecuador.

- **Organization for Economic Co-operation and Development (OECD):** with 39 countries that account for 80% of world trade and investment, OECD works governments to share experiences and seek solutions to common problems.
- **Perception:** The way in which something is regarded, understood, or interpreted (Oxford Dictionary).
- **PET bottles:** PET stands for polyethylene terephthalate. PET is usually used for packaging as it can be molded in any shape and because it is safe to keep medicine, beverages, food and toiletries (PETRA, 2015).
- **Philanthropy:** The desire to promote the welfare of others, expressed especially by the generous donation of money to good causes (Oxford Dictionary, 2017).
- **Plan Nacional del Buen Vivir:** is a document that contains the goals and strategies that the Ecuadorian government has for the citizens. It was created as a tool for social and political dialogs regarding the countries development planning.
- **PR:** Public Relations
- **Product portfolio:** A range of products or services offered by an organization (Oxford Dictionary, 2017).
- **Regional differentiation:** is when a company customizes its products to aim a specific region, culture or preferences.
- **Responsible Corporate Citizen:** is when a business is socially responsible to the extent in which it meets legal, ethical and economic responsibilities.
- **SA800:** The purpose of this voluntary certification is to promote good working conditions, freedom of association and collective bargaining. Its principles consider international human and labor rights (working hours, salaries, the elimination of discrimination, and the prohibition of child and forced labor).

- **Shared Value:** Shared value for companies means to see the treatment of social problems as an opportunity for innovation, growth and profit.
- **Social Accountability International (SAI):** SAI is a global non-governmental organization advancing human rights at work.
- **Sustainability:** Avoidance of the depletion of natural resources in order to maintain an ecological balance. For businesses, the ability to be maintained at a certain rate or level (Oxford Dictionary, 2017).
- **Sustainable Development Goals (SDG):** The UN Agenda 2030 contains a set of objectives for world's sustainable development, the SDGs. It is a plan of action for countries around the world for people, planet and prosperity. It has 17 goals and targets to be accomplished by 2030 regarding topics like: no poverty, zero hunger, health, quality education, gender equality, reduces inequalities, clean water and sanitation, economic growth, sustainable cities and communities, responsible consumption and production, life below water, life on land, and peace, justice and strong institutions.
- **Target market:** A particular group of consumers at which a product or service is aimed (Oxford Dictionary, 2017).
- **University Social Responsibility (USR):** an award that is given to public and private institutions with outstanding contributions regarding University Social Responsibility.
- **World Economic Forum (WEF):** The World Economic Forum is the International Organization for Public-Private Cooperation. The Forum engages the foremost political, business and other leaders of society to shape global, regional and industry agendas (WEF, 2017).
- **World Wildlife Fund (WWF):** world's leading organization in wildlife conservation and endangered species.